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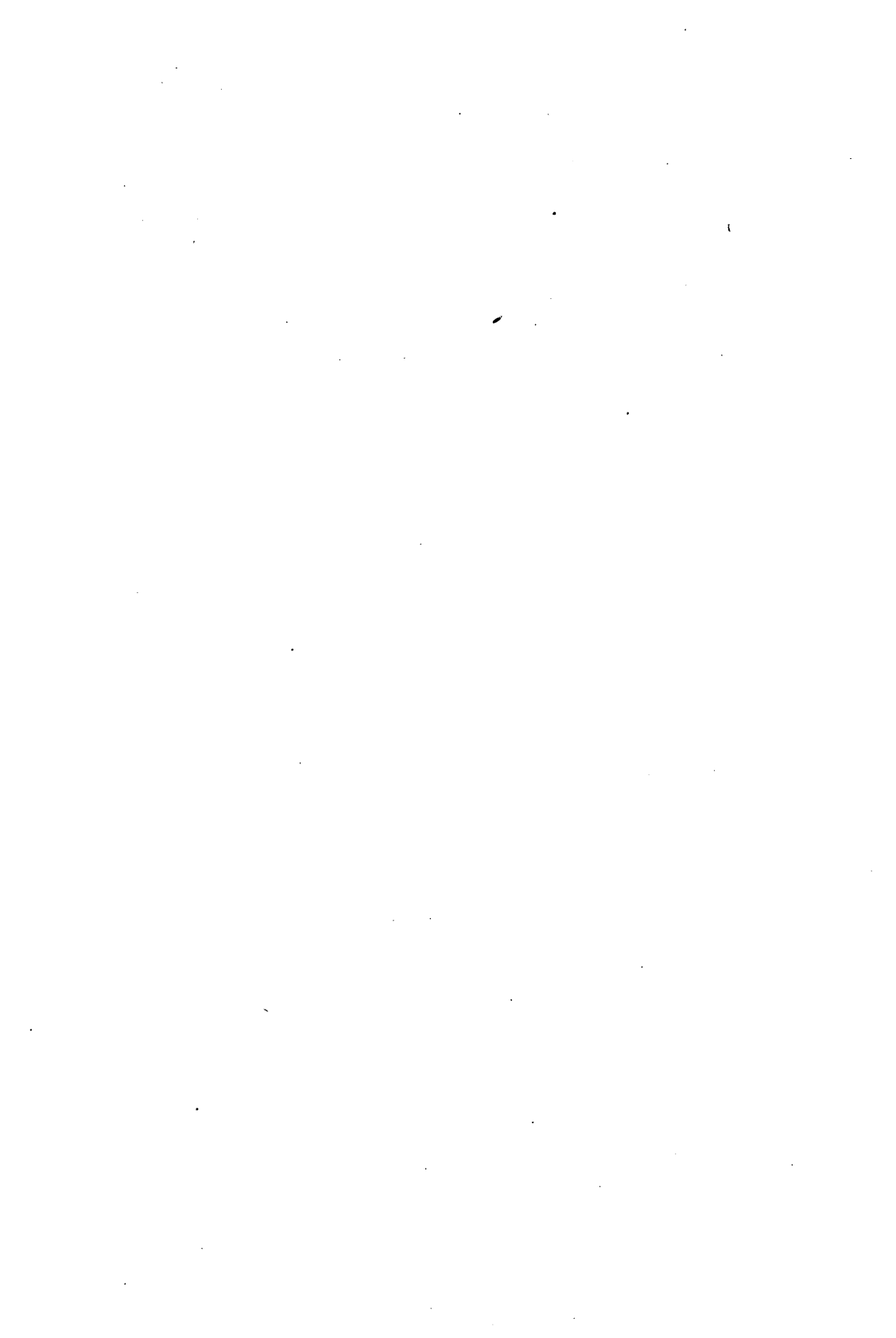
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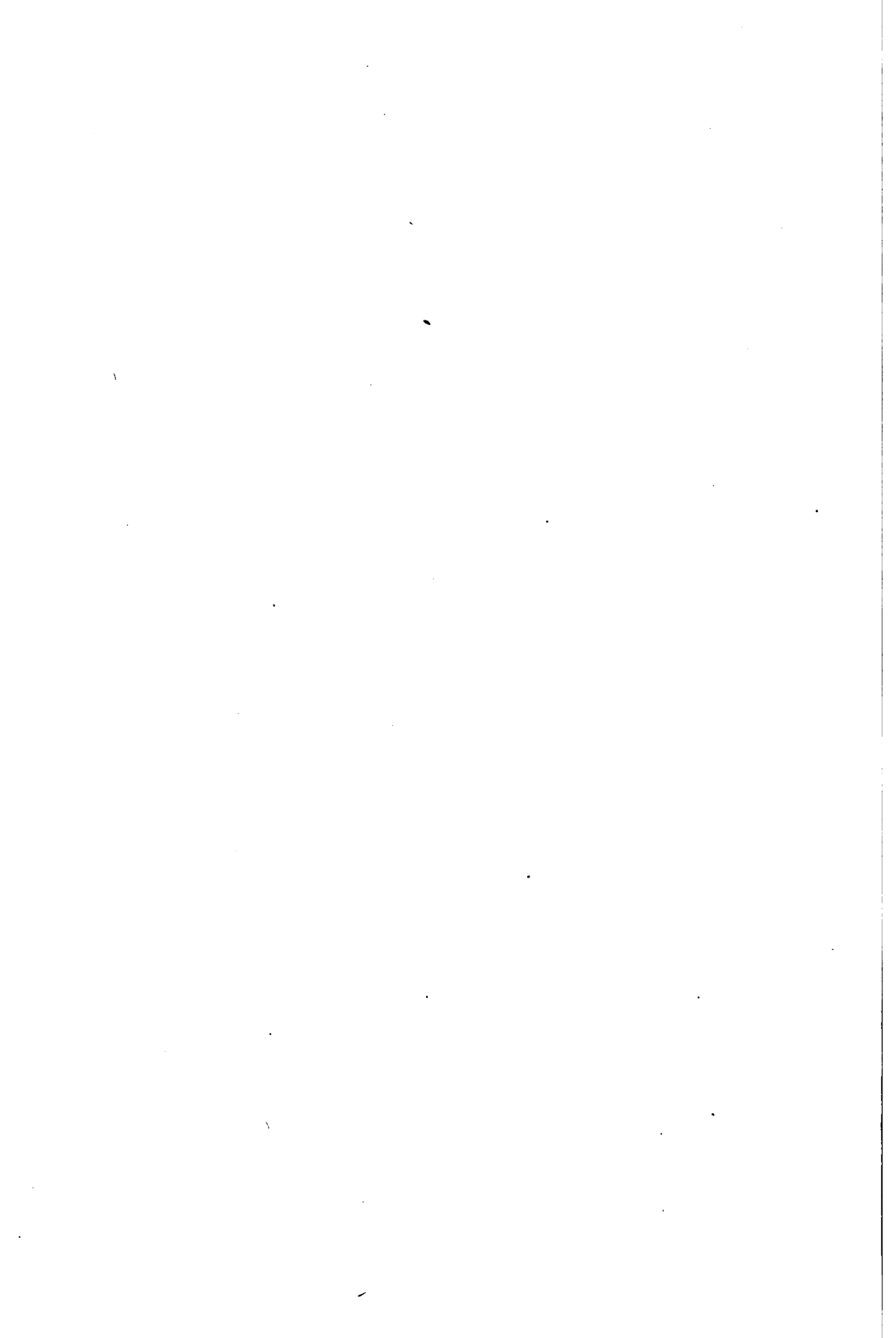


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FIRST REPORT *cf*

OF THE

North Dakota Tax Commission

TO THE

GOVERNOR

AND THE

LEGISLATURE OF THE
STATE OF NORTH DAKOTA

1912

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LETTER OF TRANSMITTAL.

To Hon. John Burke, Governor and the Legislature of the State of North Dakota:

In Compliance with the provisions of paragraph 13, Section 9, Chapter 303 of the Laws of North Dakota, passed at the Twelfth Session of the Legislative Assembly, the North Dakota Tax Commission herewith submits its first report.

L. E. BIRDZELL

F. E. PACKARD

GEO. E. WALLACE

Commissioners.

Bismarck, N. D., November 16, 1912.

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CREATING NON-PARTISAN TAX COMMISSION.

AN ACT to create a Permanent Non-Partisan Tax Commission, Defining its Powers and Duties and Making an Appropriation for the Maintenance Thereof.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Tax Commission. Creation of.]—There is hereby created a state Board to be designated and known as the tax commission.

2. Appointment of. Term of Office Defined.—Said tax commission shall be composed of three commissioners, who shall be appointed by the governor by and with the advice and consent of the senate. Of such three persons, one shall be appointed and designated to serve for a term ending on the first Monday in May, 1915, one for a term ending on the first Monday in May, 1917, and one for a term ending on the first Monday in May, 1919, each of said terms to begin upon the qualification of the person appointed therefor. Upon the expiration of the terms of the three commissioners first to be appointed as aforesaid, each successive commissioner shall be appointed and hold his office for the term of six years, except in case of a vacancy as hereinafter provided, and such commissioner shall hold his office until his successor shall have been appointed and qualified.

3. Vacancies. How Filled.—After the appointment of said first three commissioners, and except when appointed to fill a vacancy, each commissioner shall be appointed on or before the last Monday in January, during the biennial session of the legislature, next preceding the commencement of the term for which he shall be appointed. In case of vacancy, it shall be filled by appointment by the governor for the unexpired portion of the term in which such vacancy shall occur, subject to confirmation by the senate. If such appointment be made when the legislature is not in regular session, the appointee shall hold his office until the third Monday in January in the next biennial session of the legislature, when if such appointment is not confirmed by the senate, the office shall become vacant, and, on or before the last Monday in February, the governor, by and with the advice and consent of the senate, shall appoint a suitable person to fill such vacancy for the remainder of such term.

4. Qualification Of.—The persons to be appointed as members of such commission shall be such as are known to possess knowledge of the subject of taxation and skill in matters pertaining

thereto. So far as practicable, they shall be so selected that the board will not be composed wholly of persons who are members of, or affiliated with, the same political party, or organization. No person appointed as such commissioner shall hold any other office under the laws of this state or any office under the government of the United States, or of any other state. Each such commissioner shall devote his entire time to the duties of the office, and shall not hold any position of trust or profit, engage in any occupation, or business interfering with or inconsistent with his duties, or serve on, or under, any committee of any political party.

5. Oath. Salary.—Each commissioner, within thirty days after notice of his appointment, and before entering upon the discharge of the duties of his office, shall take, subscribe, and file with the secretary of state, the oath of office prescribed by law. Each of said commissioners shall receive an annual salary of three thousand dollars, payable in the same manner that salaries of other state officers are paid.

6. Organization. Salary of Secretary. Quorum. Place of Meeting.—The commissioners first appointed under this act, after having duly qualified, shall without delay meet at the capitol at Bismarck and shall thereupon organize by electing a secretary who shall receive a salary of not more than two thousand four hundred dollars per annum. The member having the shortest term to serve, except when serving without the approval of the senate, shall be the chairman of the commission. A majority of said commission shall constitute a quorum for the transaction of business and the performance of the duties of the commission. The said commission shall be in continuous session, and open for the transaction of business every day, except Sundays, and legal holidays; and the sessions of such commission shall stand, and be deemed to be adjourned from day to day, without formal entry thereof upon its records. The commission may hold sessions, or conduct investigations at any place other than the capitol when deemed necessary to facilitate the performance of its duties. Individual members of the commission may, upon direction of said commission, likewise, conduct hearings and investigate at any other place than the capitol.

7. Assistants. Appointment and Salary. Rules.—The commission may, in addition to secretary provided for in section six of this act, also employ such other persons as clerks, stenographers and experts as may be necessary for the performance of the duties required of the commission. The commission shall fix the compensation of such secretary, clerks, stenographers and experts employed by them, but the total amount expended for that purpose shall not exceed six thousand dollars per annum. The secretary shall keep full and correct minutes of all hearing, trans-

actions, and proceedings of said commission, and shall perform such duties as may be required by the commission. The commission shall have the power to make all needful rules, not inconsistent with law, for the orderly and methodical performance of its duties as a board of assessment or otherwise, and for conducting hearings and other proceedings before it.

8. Expenses of. Supplies and Travel.—The commission shall keep its office at the capitol, and shall be provided with suitable rooms, necessary office furniture, supplies, stationery, books, periodicals and maps; and all necessary expenses shall be audited and paid as other state expenses are audited and paid. The commissioners, secretary and clerks and such experts and assistants as may be employed by the commission shall be entitled to receive from the state their actual necessary expenses while traveling on business of the commission; such expenditure to be sworn to by the party who incurred the expense, and approved by the chairman of the commission, or a majority of the members of such commission but the total amount to be expended for such office supplies and traveling expenses shall not exceed the sum of \$4,500.

9. Powers and Duties Of.—It shall be the duty of the commission and it shall have power and authority:

1. To have and exercise general supervision over the administration of the assessment, and tax laws of the state, over assessors, board of review and board of equalization, to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law.

2. To confer with, advise, and direct assessors, and boards of review, and boards of equalization as to their duties under the statutes of the state.

3. To direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities, and punishment of public officers, persons, and officers or agents of corporations for failure or neglect to comply with the provisions of the statutes governing the return, assessment and taxation of property, and to cause complaints to be made against assessors, members of boards of review, members of county boards of equalization, or other assessing or taxing officers, in the proper district court, or their removal from office for official misconduct, or neglect of duty.

4. To require states attorneys to assist in the commencement and prosecution of actions and proceedings, or penalties, forfeitures, removals, and punishment for violation of the laws of the state in respect to the assessment and taxation of property, in their respective counties.

5. To require township, village, city, county and other public officers to report information as to the assessments of property collections of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and such other information as may be needful in the work of the commission, in such form, and upon such blanks as the commission may prescribe.

6. To inquire into the system of accounting of public funds in use in townships, cities, villages and counties, and to make needed recommendation for a uniform system of account of the receipts and disbursements of public funds in the municipalities of the state.

7. To require individuals, partnerships, companies, associations, and corporations to furnish information concerning their capital funds or other debt, current assets and liabilities, value of property, earnings, operating and other expenses, taxes, and all other facts which may be needful to enable the commission to ascertain the value and relative burdens borne by all kinds of property in the state.

8. To summon witnesses to appear and give testimony, and to produce records, books, papers and documents relating to any matter which the commission shall have authority to investigate or determine; to cause the deposition of witnesses residing within, or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions, pending in the district court in any matter which the commission shall have authority to investigate or determine.

9. To visit the counties in the state, unless prevented by other necessary official duties, for the investigation of the work and methods adopted by local assessors, boards of review, and county boards of equalization, in the assessment, equalization, and taxation of real and personal property.

10. To carefully examine into all cases where evasion or violation of the laws for assessment and taxation of property is alleged, complained of, or discovered, and to ascertain wherein existing laws are defective, or are improperly or negligently administered.

11. To investigate the tax system of other states and countries, and to formulate and recommend such legislation as may be deemed expedient to prevent evasion of assessment and tax laws, and to secure just and equal taxation and improvement in the system of taxation in the state.

12. To consult and confer with the governor of the state upon the subject of taxation, the administration of the laws in relation

thereto, and the progress of the work of the commission, and to furnish the governor from time to time such assistance and information as he may require.

13. To transmit to the governor and to each member of the legislature, thirty days before the meeting of the legislature, the report of the commission, showing all the taxable property in the state, and the value of the same in tabulated form with recommendations for improvement in the system of taxation in the state, together with such measures as may be formulated for the consideration of the legislature.

14. To assess at their actual value all light, heat, and power companies doing business in the state.

15. To consult and confer with the state board of equalization and to aid them in the discharge of their duties.

16. To exercise and perform such further powers and duties as may be granted to or imposed upon the commission by law.

17. One or more members of the commission shall visit officially, at least one-half of the counties of the state and some county in each judicial district, annually, and every county biennially, for the investigation of the work and methods adopted by the local assessors, county boards of equalization and other tax officials, in the assessment, equalization and taxation of real and personal property.

18. To review the assessments made by the different assessors and as equalized by the county boards of equalization, and to order a re-assessment of property, where the assessment made seems grossly unjust.

19. To require local assessors to place upon the assessment rolls property which may have escaped taxation during the previous six years, and are available and remaining within the taxing jurisdiction.

10. Legal Procedure.—Oaths to witnesses in any matter under the investigation, or consideration of the commission, may be administered by the secretary of the commission, or by any member thereof. In case any witness shall fail to obey any summons to appear before said commission, or shall refuse to testify or answer any material question, or to produce records, books, papers, or documents when required to do so, such failure or refusal shall be reported to the Attorney General, who shall thereupon institute proceedings in the proper district court to compel obedience to any summons or order of the commission, or to punish witnesses for any such neglect or refusal. Any person who shall testify falsely in any material matter under the consideration of the commission shall be guilty of, and punished for perjury.

In the discretion of the commission, officers who serve summons or subpoenas, and witness attending, shall receive like compensation, as officer and witness in the district court.

11. Method of Re-Assessment. Payment of Assessor.—For the purpose of making a re-assessment of property as provided in subsection 18 of section 9 of this act, the tax commission is hereby authorized to appoint such assessor or assessors as may be needed who shall make a re-assessment, of the property, or of the assessment district or districts specified by the commission, in accordance with the provisions of law now governing local assessors, and such assessor shall be allowed for his services the sum of five dollars (\$5.00) per day and his necessary expenses to be itemized and sworn to by the party incurring the expenses and approved by the commission, and the tax commission is hereby authorized and empowered to certify the expenses of such re-assessment to the auditor of the county in which such re-assessment has been made, who shall promptly issue his warrant on the county treasurer payable out of the general fund of the county, said fund to be reimbursed out of the moneys due the taxing district in which the re-assessment was made at the next settlement of collection of taxes.

12. Repeal.—All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

13. Constitutionality.—In case any of the provisions of this act should be declared unconstitutional that shall not affect the validity of any of the other provisions of this act.

14. Appropriation.—There is hereby annually appropriated out of any moneys in the state treasury; not otherwise appropriated the sum of \$3,000.00, or as much thereof as may be needed for the purpose of carrying out the provisions of this act.

15. Emergency.—Whereas, the finances of the state will not warrant the full expense to be incurred hereunder, it is hereby provided that this act shall take effect July 1st, 1912, and that the appointments shall not be made until after July 1, 1912, the same to be thereafter confirmed by the senate in the legislative session of 1913.

Approved March 17, 1911.

INTRODUCTION.

The twelfth session of the legislative assembly of the State of North Dakota provided for the creation of a non-partisan tax commission. Thus North Dakota was added to the large group of states which are seeking to improve the operation of their revenue and taxation systems. The fact that our revenue system has broken down at many points and that it has failed to comply with the most fundamental principles in taxation is one that has been recognized by every observer of its operation. That we have reached the point where improvement has become imperative cannot be denied. The constructive reforms that have been accomplished through the instrumentality of tax commissions in other states justify the hope that similar improvements may result through the same channel in North Dakota.

By reason of an emergency clause which was expressed in the last section of the chapter creating a non-partisan tax commission for North Dakota, the act did not become effective until July 1st, 1912. Immediately thereafter Governor John Burke appointed to the commission its present members. The members of the commission qualified and began the discharge of their duties.

Soon after the organization it was thought advisable for the members of the commission to investigate the office organization and methods of two of the tax commissions of sister states. Consequently Commissioners Birdzell and Wallace visited the commissions of Wisconsin and Minnesota respectively, and obtained from these commissions many helpful and practical suggestions.

A number of investigations have been and are being carried on. Some of these are in the initial stages, and some more important investigations are contemplated. The members of the commission appreciate fully the importance of having all of its investigations carefully conducted in order that its conclusions may be worthy the serious attention of the legislature. At the time this report is sent to press the commission has been in office but four months and it is therefore impossible for the report to be as concrete, definite and comprehensive as it should be in order to be of the utmost service. It has been thought better to omit the consideration of matters that could not be fully considered in so short a time than to present at this time results which would at best lack the full confidence of the commission, not to say of those whose confidence is solicited.

While the law creating the commission requires the transmission of a report thirty days before the meeting of the legislature, it contemplates undoubtedly that the report should embrace

activities covering a biennial period. This is, of course, impossible in the case of this report; consequently this report is tendered in the nature of a preliminary report and it contains discussions only of those matters which are of more immediate importance in view of the prospective action of the commission, and we ask for it only the consideration to which it is entitled from such view point.

The commission has had occasion to solicit frequently the co-operation of officials of the various counties and cities, particularly the county auditors and in every instance its requests have met with a generous response. Without the hearty co-operation of the men in these various offices it would be difficult for the commission to carry on its work. We are, therefore, grateful to them for the help they have so kindly given us.

CHAPTER 1.

ORGANIZATION AND WORK.

Immediately after the appointments of the commissioners became effective they repaired to the state capitol and proceeded to organize as directed by law. Since the organization the commissioners have been in session continuously and have been performing the various duties which devolve upon them. The results of their work will partially appear in this report, but in this chapter brief mention is made of some of the matters touching the organization and work of the commission that are of passing interest only.

LIBRARY.

Upon its organization the first need of the commission was found to be a library, which would contain, not merely the leading authoritative treatises on economic subjects, but which would contain as well the reports of actual conditions and investigations into the practical working of systems of taxation in other states. The commission undertook to meet this need partly by entering into correspondence with tax commissions and state officials of other states requesting publications to be sent to the commission, under a reciprocal arrangement. The responses were generous and the result is a collection of reports and statistical matter bearing upon the operation of the revenue systems in vogue in the various states which will be of permanent value for reference purposes. In addition to this some works have been purchased in the nature of general treatises on economics, taxation and public finance, and the commission has subscribed for a number of the leading periodicals including The American Political Science Review, The Bulletins of the American Economic Association, The Economic Journal and Moody's Magazine. These Journals contain many valuable discussions of topics of special interest to students of taxation and they will be of inestimable permanent value in the library of the commission.

The commission has been greatly aided by having at hand a rather extensive collection of material on subjects of interest and importance, which matter had already been collected and catalogued under the direct supervision of Mr. I. A. Acker, the legis-

lative reference librarian. It is the plan of the commission to adopt the cataloguing system which is used in the legislative reference library. This will add greatly to the value of the library for purposes of reference. The commission does not expect to have at its disposal funds sufficient to warrant the employment of a librarian, but in view of the facilities already afforded by the legislative reference library, the lack of funds for expenditure in this direction will not hinder efficient work.

SECRETARY.

The law creating the commission authorized the commission to appoint a secretary at the maximum salary of \$2,400 annually. A number of applications for this important position have been made, but the commission has not as yet made a selection. There are two main reasons why it was deemed unwise to fill this position. 1st. At the time the commission entered upon the performance of its duties the assessment for 1912 was practically completed and the time had come for equalization to be made in the various counties of the state, and the time was altogether too short within which the commission could prepare to be of very great service to the state board of equalization. Consequently the administrative work of the commission was at a low ebb and the members did not feel the immediate need of a secretary. 2nd. The appropriation made for carrying on the work of the commission (\$3,000 annually, being but \$1,500 for the six months period from July 1st, 1912 to Jan. 1st, 1913.) was so small that had the salary of the secretary been taken therefrom the commission would have been without funds to carry on more important work. The members of the commission feel that the work has now arrived at a stage where more important administrative duties are imminent and it will require the services of a secretary in the immediate future. Applications have come from persons deemed well qualified for the position and no difficulty in making a selection is anticipated.

STATE EQUALIZATION.

One or more members of the commission were present at all of the sessions of the State Board of Equalization, and through attendance upon its sessions the commission has become familiar with the methods adopted by the board in accomplishing its work. The law enjoins upon the commission the duty "to consult and confer with the state board of equalization and to aid them in the discharge of their duties." The commission is impressed with the importance of collecting facts. It would seem

that the most serious obstacle in the way of proper equalization, aside from a good assessment, is the lack of information upon which to arrive at proper conclusions regarding values of all kinds of property in all parts of the state. The commission will, therefore, undertake to gather the facts upon which it will be possible for the State Board of Equalization to base its future action.

REVIEWS.

At the conclusion of the county equalization the commission was called upon to review the action of the boards of county commissioners in two counties—Dunn and Williams—in so far as they related to equalization of lands and town lots respectively. The complaint in Dunn county was in the nature of objection to the assessment and equalization of lands throughout the county without regard to differences in value. Commissioner Wallace went to Dunn county, conducted a hearing and investigation and, acting upon the information thus obtained, the commission entered an order which resulted in the classification of the lands based on average values in different localities. The commission also advised that work be undertaken immediately looking to the improvement in the assessment in this respect for the year 1913. Work has already been undertaken along this line, and improvement in 1913 is confidently expected.

In the matter of the Williams county assessment, Commissioner Birdzell conducted a hearing at Williston and ascertained the facts upon which the commission could intelligently review the action of the board of county commissioners on the reduction of the valuation of city lots in the City of Williston. Under the facts as disclosed at the hearing the commission was satisfied that there was no legal basis for the reduction, consequently the former valuation was restored and the State Board of Equalization in acting later upon the item of lots, acted upon the basis of the original valuation as returned by the City Board of Review and Equalization.

ASSESSMENT OF BANKS.

A committee representing the State Bankers Association appeared before the state board of equalization asking for a reduction in the assessment of bank stock, basing its claim upon the statement that bank stock is assessed too high in proportion to other property in the state. Mr. Hunt, speaking for the committee presented figures in support of his argument. Mr. Hunt also made an informal request of the tax commission that they

investigate the assessment of bank stock in North Dakota and suggest means of improving the system in the interest of a more equitable assessment. The commission deemed the matter of sufficient importance to merit investigation and the result of its work appears elsewhere in this report in the form of a discussion under the chapter title "Assessment of Bank Stock."

CHAPTER II

THE GENERAL PROPERTY TAX.

Carl C. Plehn, the eminent tax authority of the University of California, says: "The general property tax may be defined as the tax on which the base is the entire amount of property, real and personal, owned by the taxpayer." It is a favorite for local purposes in the United States and Switzerland but has passed entirely out of use in all other countries except Prussia, Holland, and a few minor states, where it is used as a supplemental tax and takes on an entirely different character.

Under the federal constitution the states are prohibited from levying custom duties, leaving to the state and the local districts the following methods of taxation: (1) General Property Tax; (2) Poll Tax; (3) Business Tax; (4) Inheritance Tax; (5) Income tax; (6) Licenses and fees; (7) Special Tax. The seventh class differs from all other classes in that it partakes of a corrective nature, and in a great many instances, such as liquor licenses, it is invoked primarily for the purpose of regulation. The special tax is used altogether for local, specific purposes such as building roads, laying sewers, water mains, and paving.

The property tax originated as a tax on persons rather than property; and was self assessed to maintain among themselves such public institutions as schools, military companies, libraries, roads, etc., before they were provided by the State. As late as 1840 when the centralization of the functions of government had become general, the property tax was purely local. Even today the declaration of the taxpayer as the basis of listing and valuation yet lingers. While this tax is as old as the colonies themselves, it varies in the various states. While these various classes do not differ so much as to who or what is taxable, they are quite different in their administrative features. Roughly speaking, there are three systems which may be divided as follows:

THREE SYSTEMS OF TAXATION.

(1) New England or township system. In a general way this prevails north of the Ohio River and as far west as the Rocky Mountains. In one extreme it is characterized by intense local self-government; the tax districts being small, usually a township, and the administration extremely democratic, all power

springing from the taxpayers themselves. The state revenue is apportioned in a lump sum to the local taxing districts which control their own assessments and levies without interference from any central authority, county or state. The other extreme of this system is such as is in vogue in our own state, where we have the township assessor, but a more or less loose control by county and state boards. In a state, such as Rhode Island, there is little need for central control, as the state tax does not exceed ten per cent of the entire levy, while in a state like Indiana, on the contrary, there is much need of central control, as nearly one-half of the total levy is for state purposes. The increasing proportion of the state to the local tax is one of the chief reasons for centralized control; another is the growth of public service corporations. While the local assessor may be well qualified to judge of the value of land, horses, and cattle in his own assessing district, he has little ability to judge the value of twelve miles of a railroad which may be a part of a transcontinental system. It is the unity of assessment which calls for centralization of authority.

(2) The Southern or County system extends, roughly speaking, south of the Ohio River and west to Louisiana. Here the county is the unit of taxation rather than the township. There is also a general tendency to make the regular county and state officials ex-officio members of tax boards, or to constitute them taxing authorities. The assessment is usually under the supervision of the county court and is done by the county assessor and his assistants, who receive a commission on all taxes collected in lieu of salaries. In these states the sheriffs or treasurers are usually tax collectors. The laws are stringent and great dependence is placed upon the listing and valuation of property by the tax payer under oath. It differs in this from the New England System, where, though the oath exists, little attention is paid to it.

(3) The Western system is modeled on the laws of Missouri, and roughly speaking, lies west of the Rocky Mountains. It is the county system with less autonomy than the southern system. While the county is the taxing unit, less authority is exercised by its taxing officials, all authority flowing from the state. Here the county assessor system prevails, but each assessor is under the supervision of state authority, and assess according to a system furnished him by state officials. The oath exists but it is not important. It also differs from the southern system in that there is a board of review which equalizes between individuals, such as the township boards of review in this state. There are also county and state boards of equalization and, in most instances, tax commissions.

DISUSE OF GENERAL PROPERTY TAX.

The causes which have lead to the disuse of the general property tax throughout nearly the entire civilized world are many, but chief among them is the inability of taxing officials to reach all classes of property with a uniform ad valorem tax. While theoretically we tax property uniformly, practically it is anything but uniform—many classes all but totally escaping the tax burden, while the increasing demand for more revenue falls with an ever increasing burden upon other classes of property. This unequal distribution of the tax burden has led to a great and growing discontent with the system for the past forty years.

This discontent from 1867 to 1876 led to the appointment of six special tax commissions which were unanimous in their condemnation of the general property tax, but widely differ as to the remedies proposed. These commissions have been followed by many special and permanent commissions whose reports pile complaint upon complaint until the student of taxation is confronted with the evidence of financial discontent without parallel in the fiscal history of any other country. C. J. Bullock, professor of economy of Harvard University, says: "Everywhere the story is the same. Existing laws are ever unenforced, yet if enforced, prove destructive to industry and highly unjust in their operation upon individual taxpayers."

The invariable result is that personal property tends to escape taxation and the burden falls more and more heavily upon real estate, until today, land bears more than eighty per cent of the state and local tax burden in the United States.

The listing and assessment of land is simple as compared with the listing and assessment of personal property; yet even with real estate there are almost as many ratios of value as there are assessors. The result is that certain tracts of land in the same assessing district, as well as the land of one assessing district as compared with another, bear an unjust share of the burden of taxation.

U. S. CENSUS REPORTS.

The inequality of the general property tax is apparent when the returns of the United States Census are compared with the returns of the assessors. In April, 1910, the enumerators gathered data on all farm property in North Dakota, and while their returns are not infallible and undoubtedly present many inaccuracies, yet they unquestionably represent the owner's appraisal of his property. Every farm house in the state was visited, and, as is evidenced by the returns on live stock, they saw much better than did the assessors.

The value of all farm lands in the state as returned by the enumerators was \$730,380,131; and by the assessors but \$146,654,672. The average census value per acre was \$25.69; the assessment value was \$4.26, making the ratio of the assessed to the census value 16.6 per cent. The ratios vary in the various counties from 13.2 in Emmons to 22.1 in Williams.

The census enumerators valued farm buildings at \$92,274,613, while the assessors found but 11 per cent of that amount, or \$9,909,143. Farm implements were returned by the enumerators at \$43,907,595, while the assessors returned but 5.7 per cent of that sum, or \$2,518,886.

In the matter of live stock the enumerators found 743,762 head of cattle, while the assessors found but 64 per cent of that number, or 466,922 head; the enumerators discovered 650,599 horses, while the assessors found but 77 per cent of that number, or 499,917; 293,371 sheep were returned by the enumerators, while the assessors found but 68 per cent of that number, or 200,326; the enumerators listed 331,603 hogs, while the assessors were only able to find 35 per cent of that number, or 115,236. To summarize, the enumerator found and listed 2,027,030 farm animals, while the assessors only found and listed 1,289,640. In brief, the state of North Dakota for assessment purposes only discovered 64 per cent of the animals which were discovered by the United States for statistical purposes. The enumerator found the value of these animals to be \$106,991,919, while the assessor valued them at \$22,096,081.

LIVESTOCK RETURNS.

The following gives the livestock as returned by the enumerators and assessors and the ratios the several classes bear to each other:

	No. Ass.	Census No.	Ratio	Ass. Val.	Cen. Val.	Ratio
Cattle	466,922	743,762	64.1	\$ 4,438,300	\$ 17,970,533	25.5
Horses	499,917	650,599	76.8	16,701,894	93,461,739	22.9
Sheep	200,326	293,371	68.0	321,384	1,257,737	25.5
Hogs	115,236	331,603	34.7	383,931	3,152,909	10.2
Mules	7,239	7,695	94.1	250,572	1,149,001	21.8
	1,289,640	2,027,030	63.6	\$ 22,096,081	\$ 106,991,919	20.7

While the assessor fails to find all of the live stock, that which he finds bears more than its proportionate share of taxation. The following gives the value per head of the various classes of live

stock, also the value of buildings, implements and lands, both as returned by the assessors and the enumerators, and the ratios they bear to each other:

	U. S. Census Val. Per Head	Ass. Val. Per Head	Ratio Per Cent
Cattle	\$ 23.80	\$ 9.50	39.9
Horses	128.28	33.41	26.5
Sheep	4.30	1.60	37.2
Hogs	9.51	3.33	35.0
Mules	149.34	34.61	23.2
Buildings .....	.....	.....	11.0
Implements .....	.....	.....	5.7
Land .....	.....	.....	16.6

It is a fact to be noted in passing that cattle are assessed at 40 per. cent of the census value and implements at less than 6 per cent. All farm property, other than real estate, is assessed at 14.2 per cent..

LAND DEPARTMENT STATISTICS.

The following table shows the average value per acre fixed by applicants to the State Land Department for loans and the average value per acre fixed by the county boards of appraisal since 1909; also the average value per acre fixed by U. S. enumerators and state assessors for 1910:

LAND DEPARTMENT'S APPRAISEMENT

Counties	No. of Loans	Own. Appr. per acre	Brds. Appr. per acre	Gen. Appr. per acre	Ass.App. per acre
Adams	11	\$ 21.14	\$ 20.63	\$ 19.58	\$ 3.00
Barnes	11	44.45	35.43	33.19	6.04
Benson	8	30.84	30.27	24.99	4.09
Billings	6	28.75	27.26	17.17	2.33
Bottineau	19	27.94	27.12	27.56	4.60
Bowman	6	24.43	23.49	18.17	3.34
Burke	6	22.04	21.63	17.55	3.52
Burleigh	88	23.30	21.08	18.84	3.25
Cass	6	44.46	40.71	41.17	7.52
Cavalier	31	31.20	29.83	28.78	4.85
Dickey	13	33.13	31.88	33.45	4.59
Divide	3	21.45	18.95	15.22	.....
Dunn	6	22.67	19.84	16.67	2.25
Eddy	19	33.36	32.13	24.50	4.55
Emmons	12	27.38	24.80	21.05	2.79
Foster	23	33.73	31.61	29.16	5.12
Grand Forks	3	51.04	36.66	35.34	6.55
Griggs	6	32.34	30.50	30.11	5.10
Hettinger	3	26.74	27.17	21.40	3.03
Kidder	17	20.86	20.69	18.15	2.94
LaMoure	7	34.78	35.55	33.39	4.85
Logan	1	25.00	30.00	18.23	3.21
McHenry	16	27.57	27.87	23.67	3.79
McIntosh	1	22.00	20.00	18.85	3.48
McKenzie	2	20.94	20.94	13.40	2.21
McLean	10	24.02	24.86	17.94	3.27
Mercer	2	20.38	20.38	18.83	2.88
Morton	20	22.28	20.73	16.64	2.78
Mountrail	2	11.25	14.37	14.25	2.52
Nelson	7	33.75	27.05	28.55	4.67
Oliver	17	20.28	19.17	15.64	2.64
Pembina	6	40.98	37.34	29.87	5.35
Pierce	12	27.11	26.75	26.16	4.14
Ramsey	8	32.28	30.59	27.85	4.55
Ransom	1	29.98	22.72	34.15	5.26
Renville .....	.....	.....	.....	.....	.....
Richland	4	36.49	40.98	34.55	6.54
Rolette	12	33.71	32.49	22.43	4.13
Sargent	10	36.22	39.75	34.14	4.53
Sheridan	4	25.03	23.66	23.86	3.76
Stark	7	23.40	22.10	19.59	2.94
Steele	4	41.42	38.92	37.23	6.31
Stutsman	34	29.98	27.66	25.69	4.69
Towner	17	32.69	31.80	28.23	4.71
Traill	2	32.50	30.00	42.83	7.42
Walsh	28	38.47	36.02	31.92	6.19
Ward	25	28.40	23.46	21.06	3.76
Wells	7	33.52	34.55	30.09	4.40
Williams	11	19.71	19.08	15.36	3.40
	574	\$ 29.04	\$ 27.30	\$ 25.69	\$ 4.26

It will be noted that in many counties the number of loans is too small to be of any worth for fixing the value per acre on the real estate in that county, but when the 574 loans from every county in the state but one are taken as a whole, the result be-

comes valuable. The average price per acre, as fixed by the boards of appraisers, is \$27.30 or \$1.61 more than the Census price per acre. It is also noticeable that the owners' price is \$1.74 greater than that fixed by the appraisers. While the real estate owners of North Dakota believe the average price of their land to be \$29.04 when they seek loans, it is worth but \$4.26, or only 14.7 per cent as much, for the purposes of assessment. The average price per acre of farm lands, as found by the United States Census, may be high as an average for all lands, but in fixing valuation for assessment, the fact should be kept in mind that most of the lands not included in the United States Census, which would bring down the average price per acre, are owned either by non-residents or local speculators who do not personally farm them.

This class of land should bear its full share of the burden of taxation. Otherwise, a premium is placed upon speculation in unimproved lands, while improvements and the development of the country is penalized. The land owned by the speculator should bear all the tax burden which the laws of the state will allow, and in comparison the land farmed by the actual owner should bear as light a burden as possible.

PROBABLE TAXABLE PROPERTY IN STATE.

In 1912 the assessors of North Dakota listed 36,838,697 acres of land for assessment; at \$25.69, census average per acre, the assessable lands of the state would aggregate the enormous figure of \$946,386,126 as against \$158,595,093 listed for taxation in 1912. According to the Census report, farm buildings, livestock and machinery aggregated \$244,434,074. This year the assessable value of city real estate, including structures, was \$29,782,813. Assuming that this property is assessed at one-third of its value, which is a very high percentage, we have a valuation of \$90,000,000. The state board of equalization assesses railroads at probably one-fourth of their actual value. In round numbers, they are assessed this year at \$42,000,000, which would make their true value aggregate \$168,000,000. Other public service corporations are assessed roughly at \$2,000,000. There can be no question but that the capitalization of the earning powers of these would be greatly in excess of \$16,000,000. The last census gives the mortgaged indebtedness on farms owned by actual operators at \$47,841,587. There are many real estate mortgages in North Dakota on lands other than those owned by the actual operator. The total mortgage indebtedness on real property must be greatly in excess of this sum. The bank deposits in September for the state aggregated \$70,302,584. The assessable monies in the state must exceed by a considerable sum this amount. The capital stock, sur-

plus and profits on the same date was \$18,260,569. From this amount should be deducted the real property owned by banks and five per cent of their loans and discounts. From the report of the internal revenue commissioner for June 30, 1911, we learn that all North Dakota corporations, other than public service, are capitalized at \$55,569,094 and that for the year ending December 31, 1910, they enjoyed a net income of \$6,717,678. This earning of more than twelve per cent precludes any contention that this capital stock is not paid up and worth par. From this capital stock should be deducted the capital stock of banks, the indebtedness of the corporations, and property which has been assessed under the general property schedule.

As we have pointed out, some of the above items are too large and some too small, but it seems reasonable that their total, \$1,656,794,034 is not far from the true market value of the property represented.

This total does not include some twenty items of personal property assessable under the laws of the state. The items not included were assessed in 1912 at \$23,593,888, and as they include such items as household furniture, automobiles and credits other than mortgages on farm lands and shares of foreign stock, which almost entirely escape taxation, the ratio of their assessable value to their true value must be very low. That it is below ten per cent would be conceded by anyone familiar with the limited data at hand. Accepting this as the ratio, it gives us \$235,938,880 for all personal property not included in the items enumerated above, or a grand total for the state of \$1,892,732,914.

RECAPITULATION.

Farm lands	\$ 946,386,126
Farm Buildings, livestock and machinery.....	244,434,074
Railroads	168,000,000
Other Public Service Corporations (Assessed by State Board of Equalization)	16,000,000
Farm Mortgages	47,841,587
Bank Deposits	70,302,584
Capital Stock, surplus and profits of banks.....	18,260,569
Corporations other than Public Service	55,569,094
Real Property—Cities and Towns	90,000,000
All other property	235,938,880
Total	<u>\$1,892,732,914</u>

In contemplating this total it must be remembered that it does not represent the wealth of North Dakota, but the assessable property. The wealth of the state would probably be from

60 to 80 per cent of this amount. Credits are representative wealth and comprise a large portion of this total. Taxing the wealth and also the indebtedness secured by it is a form of double taxation which has puzzled the taxing officials for many years, but there seems to be no escape under a general property tax. When one contemplates this vast amount of taxable property and then remembers that the assessors in 1912 listed but \$294,770,370 for assessment, it would appear to be high time that some reform was worked in the state laws or their administration, or both. When less than 15 per cent of the actual value of the taxable property of the state finds its way to the assessor's list, a great hardship is being worked on the property listed. Not only this, but it gives an entirely wrong impression of the wealth of the state. Instead of going into the statistical reports throughout the country, from one and a half to two billion dollars, the assessable wealth of North Dakota, goes forth at less than \$300,000,000. The people of the state, as well as the outsider, is deceived as to the wealth and resources of North Dakota. Another objection is the exceedingly high rate of levy that is necessary under the law valuation. A low levy is a good advertisement but it will only be possible to bring this about when we have a higher valuation.

REPORT OF TAX COMMISSION

TABLE SHOWING GENERAL PROPERTY ASSESSMENTS FOR NORTH DAKOTA FOR YEARS 1890, 1900 AND 1910. ALSO NUMBER OF ACRES OF REAL ESTATE ASSESSED AND PRICE PER ACRE.

County	Price Per Acre		
	1890	1900	1910
North Dakota	\$ 3.88	\$ 3.16	\$ 4.26
Barnes	3.87	3.66	6.04
Benson	3.34	3.10	4.09
Burleigh	2.41	1.82	3.25
Cass	6.55	6.56	7.52
Cavaller	3.51	3.39	4.85
Dickey	3.74	2.43	4.59
Eddy	3.37	3.17	4.55
Emmons	2.05	1.51	2.79
Foster	3.34	3.12	5.12
Grand Forks	6.44	5.69	6.55
Griggs	3.89	3.57	5.10
Kidder	2.20	1.25	2.94
LaMoure	3.61	2.68	4.85
Logan	1.25	1.17	3.21
McIntosh	2.56	1.76	3.48
Morton	1.76	1.42	2.78
Nelson	2.58	3.29	4.67
Oliver	1.28	.74	2.64
Pembina	6.12	4.27	5.35
Ramsey	3.70	3.34	4.55
Ransom	3.88	3.30	5.26
Richland	5.27	5.83	6.54
Rolette	3.00	2.73	4.13
Sargent	3.89	2.40	4.53
Steele	3.59	4.47	6.31
Stutsman	2.71	2.39	4.69
Towner	3.34	3.16	4.71
Traill	6.53	6.66	7.42
Walsh	5.87	5.16	6.19
Wells	3.25	3.33	4.40

	No. of Acres		
	1890	1900	1910
North Dakota	13,143,184	18,758,853	34,394,240
Barnes	710,114	849,742	937,937
Benson	98,470	264,855	713,809
Burleigh	659,682	697,861	871,038
Cass	971,177	1,082,874	1,094,686
Cavaller	194,266	448,857	948,303
Dickey	473,300	578,437	688,256
Eddy	135,017	226,511	370,200
Emmons	307,681	533,227	811,729
Foster	264,124	373,819	425,862
Grand Forks	736,036	852,693	902,491
Griggs	308,398	383,957	450,193
Kidder	489,443	519,973	633,543
LaMoure	492,309	600,394	714,890
Logan	321,909	347,807	497,711
McIntosh	75,078	339,107	537,749
Morton	465,002	971,678	1,568,328
Nelson	331,485	476,432	619,072
Oliver	233,277	257,498	348,427
Pembina	567,036	675,334	706,393
Ramsey	255,646	410,787	738,647
Ransom	423,880	478,852	530,630
Richland	686,389	814,387	898,242
Rolette	67,243	196,470	492,149
Sargent	326,933	434,662	527,649
Steele	337,599	423,476	452,447
Stutsman	902,216	1,005,057	1,325,960
Towner	93,160	231,371	627,888
Traill	484,935	540,483	542,599
Walsh	579,719	707,100	817,248
Wells	275,894	464,377	780,218

TABLE SHOWING GENERAL PROPERTY ASSESSMENTS FOR NORTH DAKOTA
—Continued

County	Real Property		
	1890	1900	1910
North Dakota	\$ 55,863,276	\$ 73,574,494	\$ 184,589,989
Barnes	2,845,082	3,611,687	7,264,068
Benson	402,545	959,894	3,573,559
Burleigh	2,476,243	2,182,895	4,052,369
Cass	7,392,662	10,091,028	13,766,987
Cavaller	594,178	1,711,045	5,185,116
Dickey	1,892,106	1,617,163	3,901,150
Eddy	486,255	816,293	1,978,845
Emmons	530,450	823,749	2,469,553
Foster	808,546	1,284,137	2,598,384
Grand Forks	6,304,152	6,924,913	9,453,365
Griggs	1,359,830	1,630,354	3,529,515
Kidder	994,316	714,168	2,053,109
LaMoure	1,973,214	1,789,478	4,171,684
Logan	330,931	417,733	1,766,338
McIntosh	179,343	645,731	2,242,704
Morton	1,344,890	1,859,447	5,439,432
Nelson	1,290,505	1,773,116	3,484,664
Oliver	200,416	194,233	944,997
Pembina	2,355,739	3,524,581	4,523,965
Ramsey	1,454,276	1,857,871	4,571,782
Ransom	1,636,315	1,839,114	3,357,139
Richland	3,572,160	5,453,973	7,178,737
Rolette	270,562	645,429	2,420,232
Sargent	1,324,039	1,163,485	2,713,290
Steele	1,982,713	2,082,158	3,291,388
Stutsman	2,386,317	3,143,058	7,933,466
Towner	597,659	895,305	3,622,702
Trall	3,189,397	4,193,391	4,774,475
Walsh	2,737,222	4,436,581	6,193,172
Wells	865,113	1,818,151	4,119,745

County	Personal Property		
	1890	1900	1910
North Dakota	\$ 23,041,867	\$ 26,262,466	\$ 51,909,379
Barnes	645,515	916,434	1,550,099
Benson	258,355	709,392	1,219,162
Burleigh	614,856	545,728	1,068,697
Cass	2,970,658	2,594,122	3,778,068
Cavaller	495,850	775,665	1,265,721
Dickey	781,434	570,827	1,003,481
Eddy	175,621	421,222	473,721
Emmons	285,270	404,906	906,477
Foster	177,328	269,804	547,440
Grand Forks	3,152,304	1,946,687	2,377,872
Griggs	387,982	519,262	914,802
Kidder	196,089	190,007	592,883
LaMoure	305,825	518,014	1,141,523
Logan	49,819	235,088	555,724
McIntosh	267,714	384,626	808,543
Morton	541,096	861,936	1,715,198
Nelson	486,598	722,863	1,072,638
Oliver	53,928	109,505	271,647
Pembina	1,447,705	1,214,882	1,168,470
Ramsey	702,332	743,879	1,321,402
Ransom	671,251	534,322	783,289
Richland	1,141,740	1,385,481	1,692,369
Rolette	282,403	383,302	722,024
Sargent	610,135	541,996	916,851
Steele	464,267	641,853	786,463
Stutsman	499,219	748,188	1,576,824
Towner	180,610	480,991	956,958
Trall	1,519,022	1,271,195	1,191,586
Walsh	1,510,839	1,412,350	1,364,460
Wells	125,317	676,857	1,003,133

TABLE SHOWING GENERAL PROPERTY ASSESSMENTS FOR NORTH DAKOTA
—Continued

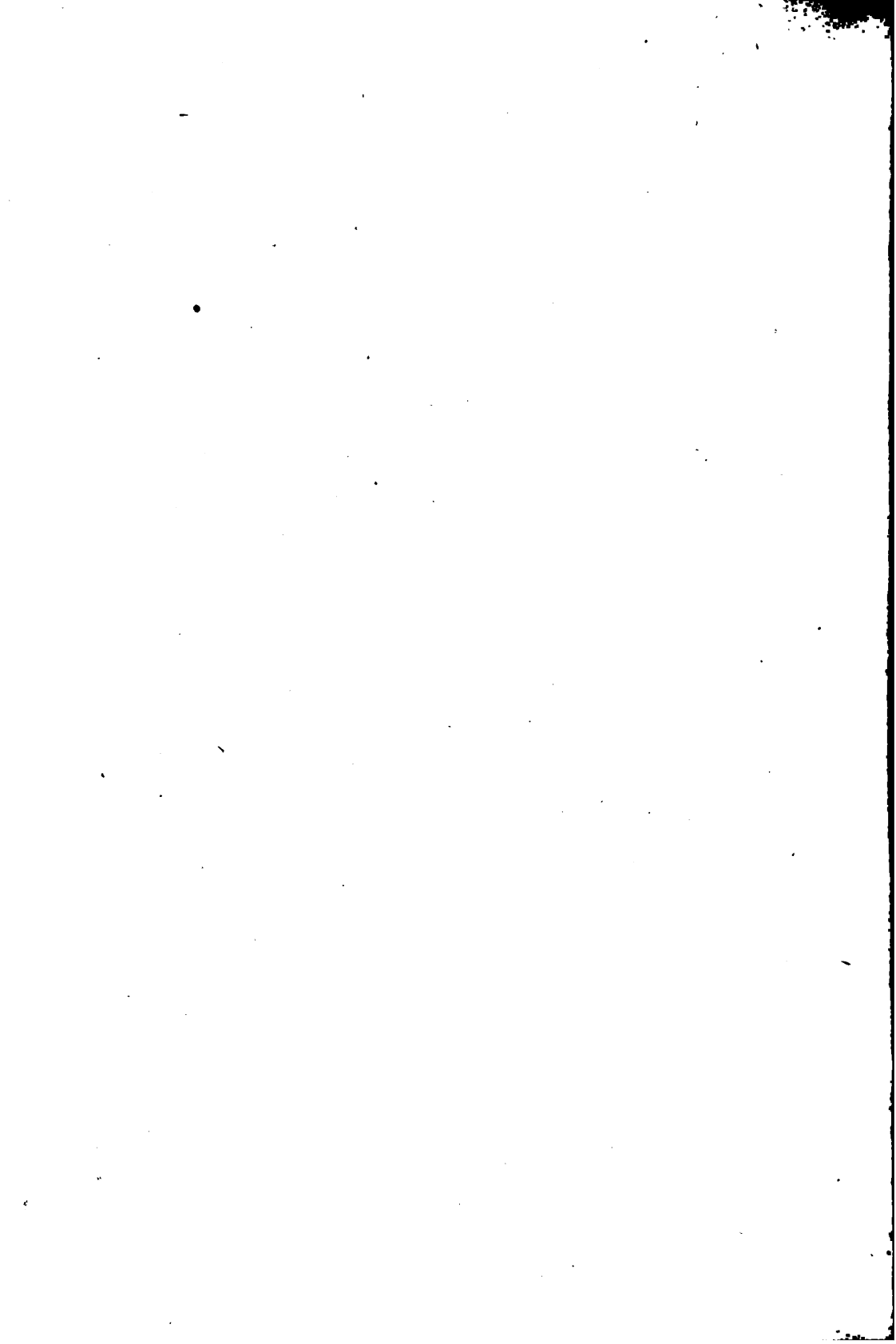
County	Population		
	1890	1900	1910
North Dakota	190,983	319,146	577,056
Barnes	7,045	13,159	18,066
Benson	2,406	8,320	12,681
Burleigh	4,247	6,081	13,087
Cass	19,613	28,625	33,935
Cavaller	6,471	12,580	15,659
Dickey	5,573	6,061	9,839
Eddy	1,377	3,330	4,800
Emmons	1,971	4,349	9,796
Foster	1,210	3,770	5,318
Grand Forks	18,357	24,459	27,888
Griggs	2,817	4,744	6,274
Kidder	1,211	1,754	5,962
LaMoure	3,187	6,048	10,724
Logan	597	1,625	6,168
McIntosh	3,248	4,818	7,251
Morton	3,031	10,277	29,289
Nelson	4,293	7,316	10,140
Oliver	464	990	3,577
Pembina	14,334	17,869	14,749
Ramsey	4,418	9,198	15,199
Ransom	5,393	6,919	10,345
Richland	10,751	17,387	19,659
Rolette	2,427	7,995	9,958
Sargent	5,076	6,039	9,202
Steele	3,777	5,888	7,616
Stutsman	5,266	9,143	18,189
Towner	1,450	6,491	8,963
Traill	10,217	13,107	12,545
Walsh	16,587	20,288	19,491
Wells	1,212	8,310	11,814

RATIOS OF GAIN AND LOSS

The following table gives the ratios of gain or loss for real and personal property for the periods 1890-1900 and 1900-1910. It illustrates many of the idiosyncrasies of the general property tax. Take for instance Grand Forks county: real property declined 11 per cent from 1890 to 1900, but the acreage increased 16 per cent and the total valuation 10 per cent; for the same period personal property declined 38 per cent and the population gained 33 per cent. From 1900 to 1910 the value of land advanced 15 per cent, the total acreage increased 6 per cent and the total valuation of land 36 per cent, while personal property declined 22 per cent and the population increased 14 per cent.

	Price Per Acre		No. of Acres		Real Property		Personal Property		Population	
	1890-1900	1900-1910	1890-1900	1900-1910	1890-1900	1900-1910	1890-1900	1900-1910	1890-1900	1900-1910
North Dakota										
Barnes	22	34	42	83	31	150	14.7	97	67	81
Benson	-5	65	19	15	26	101	41	69	87	37
Burlingame	-7	32	167	170	173	274	175	72	187	52
Cass	-24	78	5.7	24	-	85	-	95	43	115
Cavalier	-15	14	11	1.09	36	36	-	45	48	19
Dickey	4	13	131	111	188	123	-	63	94	25
Eddy	-	88	22	119	-	135	56	75	9	62
Emmons	-6	43	63	67	67	136	27	12	142	44
Foster	-26	85	73	52	55	199	139	123	120	125
Grand Forks	7	64	41	14	58	102	56	103	212	123
Griggs	-11	15	16	5.8	9.8	36	-	22	33	14
Kidder	-8	43	24	17	19	116	34	-	68	32
LaMoure	-43	135	6	21	28	137	-	76	45	24
Logan	-26	81	22	21	-	133	3	21	90	77
McIntosh	6	173	7	19	10	328	69	170	172	280
Morton	-31	97	356	43	26	241	376	114	142	50
Nelson	-19	95	109	58	264	164	43	115	54	13
Olive	43	42	27	29	39	187	50	99	70	20
Pembina	27	42	10	35	37	382	48	103	112	263
Ramsey	-30	253	19	35	-	38	16	-	123	-
Ransom	25	25	19	4	49	158	18	8.8	108	38
Richland	9	36	60	70	27	145	5	46	198	65
Rolette	-15	59	12	10	12	132	-	20	22	90
Sargent	12	51	18	13	53	21	21	22	62	13
Steele	-9	51	193	152	146	233	30	88	131	20
Stutsman	-38	88	32	21	12	136	-	11	19	62
Towner	24	41	25	21	12	136	38	122	60	29
Trall	-11	96	11	31	32	138	14	114	74	99
Walsh	-5	49	148	175	54	395	104	90	348	35
Wells	-2	11	21	15.3	31	14	16	6	28	4
	-12	19	21	15	62	39	-	3	22	4
	2	32	68	87	110	126	443	48	589	42

*The minus sign indicates decrease.



CHAPTER III.

PERSONAL PROPERTY TAX.

The real problem of the general property tax is to be found in personal property assessments. Tax commissions, generally throughout the United States, have struggled in vain with this nightmare of fiscal administration, but, inspite of everything that can be done, there is a general tendency, especially during recent years, for taxable personal property to constantly decline in volume.

EXPERIENCE OF OTHER STATES.

The Wisconsin Tax Commission, one of the ablest in the United States and most successful in attempts to solve tax problems, reports that from 1903 to 1909 there was a falling off in the state of from 56.282 per cent to 48.581 per cent of true value. It is the belief of that commission, "that we are fast drifting away from personal property towards a tax on land only." While the value of the personal property of the state doubles, the local assessors fail to find additional property and place it on the lists. It is the experience of that commission that, the larger amount of property omitted by the local assessor, the heavier is the burden upon that which is placed upon the list.

The commissioners of taxes and assessments of the City of New York say: "It would be a great advantage to the city and the owners of real property if the remnants of the personal property tax were abolished entirely."

Prof. Max West, Secretary of the National Industrial Commission, says: "In at least five-sevenths of the states and territories the rural districts would gain by the exemption of personal property from taxation."

A special commission on taxation, appointed by the governor of Ohio, in a report made in 1909, arrives at the same conclusion, "That the general property tax bears most unjustly upon the owners of real estate, whether farm lands or city homes, and permits with increasing advantage the escape from taxation of all forms of personal property and particularly of that class of personal property which can be most easily concealed from the tax authorities." That commission further says: "We have found that the general property tax is a failure for purposes either of revenue or equality; that more than one-half of the total wealth of

the state in tangible property alone escapes taxation; that of intangible property, such as monies, stocks, bonds, credits, subject to taxation under existing laws, not ten per cent, perhaps not even five per cent, is listed."

Prof. Daniels, in his work on Public Finance, says: "If Jove laughs at lover's vows, he probably guffaws at taxpayer's oaths. Even the Psalmist's hasty allegation of universal mendacity needs little qualification in this province of finance. Where the taxpayer's conscience is tender, he finds (as one puts it) that virtue is perforce its own reward. This phase of the system is described in one tax report as 'a tax upon ignorance and honesty', and in another report we are told that 'the payment of the tax on personalty is almost as voluntary and is considered in pretty much the same light as donations to the neighborhood church or Sunday school.'"

THE DRIFT TOWARD A TAX ON LAND.

The drift toward a tax on land and away from a personal property tax is illustrated by a mass of statistics, during the past fifty years, which it is impossible to reproduce here. According to the United States Census, from 1860 to 1888, the real property of the United States on which a tax was levied increased from 6,873 millions to 13,036 millions; while personal property decreased from 5,111 millions to 3,866 millions.

In California in 1872 the taxable personal property amounted to 220 millions, but in 1887 it had shrunk to 172 millions—a decrease of 56 millions. During this same period real property advanced from 417 millions to 791 millions. In 1893 personal property had increased one million, to 173 millions; while real property had increased from 209 millions to 1,000 millions. During this period personal property paid 17.31 per cent and real estate 82.69 per cent of taxation, both state and local.

In Illinois in 1882 personal property paid 22.01 per cent of all the revenue, and in 1894 but 17.26 per cent. In Cook County it paid 14 per cent and in Kankakee County but 11 per cent. In New York in 25 years real estate increased 2,000 millions while personal property decreased 40 millions, until it now pays but 9.99 per cent of the state taxation. In the District of Columbia in sixteen years real estate increased 77 millions, while personal property decreased 11 millions. In New Jersey in one township real estate was assessed at \$272,232 and all personal property at \$591. In another the figures were \$2,274,900 and \$47,150. In New York, of two cities equal in population and resources, one paid taxes on \$700,000 worth of personalty, while the other paid on but \$5,000.

In Cincinnati during twenty-six years real estate increased from \$66,454,602 to \$144,208,810, while personalty decreased from

\$67,218,101 to \$44,735,670. In Monroe County, New York, including the City of Rochester, real estate was listed at \$132,202,478 and personal property at but \$8,408,803. In Brooklyn real estate was assessed at \$486,497,186 and personal property at \$19,123,700. In other words, personal property paid a little more than three per cent of the entire tax. A few years later it fell still lower, to 1.23 per cent.

In North Dakota in 1912 real property was assessed at \$199,073,743, while personalty was assessed at but \$50,893,545, or one-fourth as much. At the same time the bank deposits of the state aggregated more than \$70,000,000.

AN AGE OF PERSONALTY.

These statistics appear all the more absurd when it is considered that personal property in the United States greatly exceeds in value all real property. It must be remembered that, during the past two or three decades personal property has increased with unrivalled rapidity and includes not only all movable objects, but money, public obligations, stocks, bonds, mortgages, credits and all the products of agriculture and manufactures. The tremendous increase of stocks and bonds in the modern business world makes the constant shrinkage of personal property which bears any burden of taxation seem highly ridiculous. It has become an axiom among taxing officials that the greater the wealth in personal property, the less tax it bears.

CONDITIONS IN NORTH DAKOTA.

It is not necessary, however, to go outside of North Dakota to discover the abuses existing under the general property tax. During twenty-two years, or practically since statehood—1890 to 1912—personal property in this state has increased from \$23,021,867 to \$50,893,545, or 121 per cent; real estate has increased from \$55,863,276 to \$199,073,743, or 256 per cent, while the population in twenty years, from 1890 to 1910, increased from 182,719 to 577,056, or 216 per cent. While real estate has been multiplied by three, population by more than two, personal property, in an age of personalty, has only multiplied by a little more than one.

During this same period Pembina County personal property decreased from \$1,447,705 to \$1,139,780. This is an actual decrease of \$307,925, or 21 per cent. During the last two Census periods the population in this county has increased three per cent. During these same periods in Traill County personal property decreased from \$1,519,022 to \$1,108,476, a decrease of \$410,543, or 27 per cent. In Grand Forks County personal property de-

creased from \$3,152,304 to \$2,453,193, an actual decrease of \$699,111, or 22 per cent. During the Census period, 1890 to 1910, the population advanced from 18,357 to 27,888, an increase of 9,531, or 51 per cent.

In 1890 real property in the state amounted to \$309 per capita; today it is \$345. In 1890 personal property aggregated \$126 per capita; today it is only \$88 per capita, a decrease in personalty of 30 per cent and an increase in realty of 13 per cent.

Nowhere has personalty maintained its ratio with the increase in wealth and population. It seems to decrease with increasing acceleration as wealth increases. Since 1908, or during the last four assessments, a marked corroboration of this contention has taken place. In 1909 personal property was assessed for the entire state at \$54,429,143, and in 1912 at \$50,893,545, a decrease of \$3,535,597, or 6.5 per cent. In 1908 real estate was assessed at \$182,124,702, and in 1912 at \$199,073,743, an increase of \$16,949,041, or 9.3 per cent.

COUNTIES WHICH SHOW AN INCREASE.

The only counties in the state which show an increase in personal property during this period are Billings, Bowman, Burleigh, Dunn, Hettinger, Kidder, Morton, McKenzie, Oliver and Stark. Williams was divided during this period, but its old territory shows an increase. Every other county in the state shows an actual decrease, and yet the increase in personalty has not kept pace with the increase of real estate, as the following shows:

COUNTY	In. per cent REAL	In. per cent PERSONAL
Burleigh	12	9.8
Morton	22	7.8
McKenzie	43	9.0
Stark	24	18.7
Billings	50	25.0
Bowman	71	11.0
Dunn	45	20.0
Hettinger	66	11.0
Kidder	27	.3
Oliver	33	2.2
Williams-Divide	42	5.4

COUNTIES WHICH SHOW DECREASE OF ALL PROPERTY.

For this same period Cass, Griggs, Pembina, Traill, Richland, Walsh, Wells, Ransom and Towner show a decrease in both personal and real property. In these, as well as those counties in which real and personal property both made gains, personal property does not keep pace with the real estate. The following makes this plain:

COUNTY	De. Per Ct. PERSONAL	De. Per Ct. REAL
Cass	8.6	.5
Griggs	10.6	2.5
Pembina	10.2	.6
Traill	14.4	3.0
Richland	9.1	.3
Walsh	10.8	1.5
Wells	16.2	2.7
Towner	9.8	5.7
Ransom	12.5	.9

All other counties in the state not included in these two tables show an increase in real estate and a decrease in personal property.

The tables on page 42 further illustrate this tendency of personal property to decrease while real estate increases in value. The twenty-two counties included in these tables are taken at random from all parts of the state and furnish interesting data for reflection on the part of anyone acquainted with North Dakota values.

RATIO TO TOTAL ASSESSMENT.

Again this tendency is shown in the proportion which the personal property bears to the entire assessment. In 1890 it comprised 28 per cent of the total assessment; in 1900, 22 per cent; in 1909, 20 per cent; in 1911, 19 per cent and in 1912, 17 per cent. In 1890 realty bore 69 per cent and all other property than personal, 3 per cent; in 1900 realty bore 63 per cent and all other property than personal, 15 per cent; in 1909 realty bore 65 per cent and all other property than personal, 15 per cent. In 1911 realty bore 67 per cent and all other property than personal, 17 per cent;

and in 1912 realty bore 67 per cent and all other property than personal, 15 per cent.

Two salient facts at once present themselves to the observer in the data just given; 1st: The increasing proportion of the burden of taxation borne by railroads and other public utilities and real estate. 2: The constantly decreasing portion borne by personal property. It will be noticed that there was a slight decrease in the portion borne by real estate at the time the public utility corporations were developed and really assessed. However, as soon as readjustment had taken place, the burden of taxation on real estate at once began to steadily increase. Table page 30 presents the value of real property, the numbers of acres assessed, the value of personal property and the population in 1890, 1900, 1910, for the entire state and for those counties whose area remained constant for the period. Several peculiarities will be observed in the fluctuations of valuation, caused largely by years of depression and years of prosperity; but the whole tendency is toward a relative decrease in personalty and an increase in real estate. Table on Page 33 contains the ratio of increase and decrease for these same periods. It brings home very clearly the fact that the general property tax is not uniform, even upon those classes of property which cannot well be concealed.

All of these statistics mark clearly the fact that where there is no raw land to come under cultivation and be put upon the assessment rolls, there is little, if any, increase in the value of property for the purposes of taxation. This is graphically illustrated by the figures covering the past four years—outside of the western counties there is a positive decline in personalty and little, if any, increase in real estate. There was a flat raise of $12\frac{1}{2}$ per cent made by the state board of equalization in 1909, of all classes of property, and the years since have not been ultra prosperous and some kinds of property have actually declined in value. But the contention that there has been an actual decrease in the value of both real and personal property in any county in the state will need demonstration to be believable. That development has not been entirely arrested is shown by the general condition of business.

INCREASE OF BANKS.

Bank statements are invariably accepted as one of the surest indices of the trend of business. While nine counties in the state since 1909 decreased in taxable real and personal property, and personalty for the entire state decreased, the number of banks—national and state—increased from 591 to 733, an average of 35 yearly, or 24 per cent. Deposits have increased nearly \$14,000,000, or 25 per cent, while new capital invested in banks has increased

by nearly three million dollars, or 27 per cent. Surplus and profits, the surest index of all to the prosperity of the community, increased for this period 40 per cent. The inevitable conclusion is brought home by the condition of banks as compared with taxable personal property, that this period of business depression has been made the excuse for much property to escape taxation.

The following is a summary of the bank statements, made under call of June 23, 1912, and under call of June 14 for national banks and September 14 for state banks in 1912.

	1909	1912	Increase	Increase %
Deposits	\$ 56,493,296	\$ 70,302,584	\$ 809,288	25.5
Capital	\$ 10,604,275	\$ 13,457,000	\$ 2,852,725	27.0
Surplus and Profits	\$ 3,396,420	\$ 4,803,569	\$ 1,407,149	40.0
Number	591	733	142	24.0

It is useless, in the face of this phenomenal increase in bank deposits, bank capital and surplus and profits, to contend that property values in North Dakota have generally declined. Personal property has greatly increased, owing to the development of new territory and the tendency of the times toward corporation and kindred wealth. There has been no general decrease in the value of any class of property in this state during the past four years. The true explanation for this decline is to be found in the fact that, owing to the hard times, the tender-hearted taxing official has allowed personal property to escape, while the revenue deficit is made up on real estate.

NO DECREASE IN WEALTH IN STATE.

We do not believe that there has been an actual decline in personal property in this state during the past twenty-two years, nor in the past ten years, nor in any given period of time. The development of the state has been phenomenal and its wealth has doubled and trebled each Census period.

The experience of North Dakota is but a repetition of the experience of all states or nations which have depended upon personal property for revenue—the longer the attempt is made to collect the tax, the smaller the percentage of the property taxed. The fault lies with the system and its administration rather than with either the people of the state or business conditions.

REPORT OF TAX COMMISSION

TABLE SHOWING PERSONAL PROPERTY ASSESSMENTS FOR 22 COUNTIES FOR 1909 AND 1912 AND INCREASE OR DECREASE FOR PERIOD.

County	1909	1912	Increase	Ratio Per Cent	Decrease	Ratio Per Cent
Barnes	\$1,656,802	\$1,529,875	\$	-----	\$ 126,927	7.6
Cass	3,881,538	3,549,007	-----	-----	332,531	8.5
Grand Forks	2,536,576	2,453,193	-----	-----	83,383	3.2
Griggs	1,046,990	935,035	-----	-----	111,955	10.7
Pembina	1,269,607	1,139,780	-----	-----	129,827	10.2
Trall	1,295,043	1,108,479	-----	-----	186,564	14.4
Richland	1,775,975	1,613,298	-----	-----	162,677	9.1
Walsh	1,489,558	1,328,886	-----	-----	160,672	10.8
Ramsey	1,385,796	1,293,161	-----	-----	92,635	6.6
Steele	931,960	796,955	-----	-----	135,005	14.5
Nelson	1,140,209	1,023,545	-----	-----	116,664	10.2
Adams	448,669	426,918	-----	-----	21,751	4.9
Burleigh	1,177,926	1,294,654	116,728	9.8	-----	-----
Morton	1,622,813	1,797,294	174,481	10.7	-----	-----
Stark	912,431	1,083,255	170,824	18.7	-----	-----
Stutsman	1,602,611	1,525,024	-----	-----	77,587	4.8
Wells	1,200,970	1,006,489	-----	-----	194,481	16.2
Bottineau	1,826,354	1,607,103	-----	-----	219,251	12.0
McKenzie	698,643	761,657	63,014	8.9	-----	-----
Mountrail	718,885	708,509	-----	-----	10,366	1.4
Emmons	962,033	817,939	-----	-----	144,094	14.9
McHenry	1,629,800	1,420,281	-----	-----	209,519	12.8

*The statistics used in this column are taken from the abstract found on Page 218 of the 1909 report of the state board of equalization, which differ in some instances from the abstract on Page 238 of the same report.

TABLE SHOWING REAL PROPERTY ASSESSMENTS FOR 22 COUNTIES FOR 1909 AND 1912 AND INCREASE OR DECREASE FOR PERIOD.

County	1909	1912	Increase	Ratio Per Cent	Decrease	Ratio Per Cent
Barnes	\$7,193,067	\$7,357,182	\$ 164,115	2.3	\$	-----
Cass	13,957,168	13,886,963	-----	-----	70,205	.5
Grand Forks	9,607,174	9,716,554	109,380	.1	-----	-----
Griggs	3,579,052	3,486,524	-----	-----	92,528	2.5
Pembina	4,588,002	4,558,575	-----	-----	29,427	.6
Trall	4,903,417	4,755,059	-----	-----	148,358	3.0
Richland	7,271,380	7,247,924	-----	-----	23,456	.3
Walsh	6,159,303	6,068,489	-----	-----	90,814	1.4
Ramsey	4,581,603	4,969,560	387,957	8.4	-----	-----
Nelson	3,527,428	3,903,513	376,085	10.6	-----	-----
Adams	1,229,271	1,951,553	722,282	58.7	-----	-----
Burleigh	4,127,150	4,635,913	508,763	12.3	-----	-----
Morton	5,215,640	6,376,288	1,160,648	22.2	-----	-----
Stark	2,766,889	3,441,636	674,747	24.3	-----	-----
Stutsman	7,657,614	8,298,286	640,672	8.3	-----	-----
Wells	4,175,396	4,062,855	-----	-----	112,541	2.6
Bottineau	5,951,212	6,103,463	152,251	2.5	-----	-----
McKenzie	1,062,579	1,526,589	464,010	43.4	-----	-----
Mountrail	1,853,303	2,569,175	715,870	38.6	-----	-----
Emmons	2,270,244	3,137,322	867,078	38.2	-----	-----
McHenry	4,821,290	5,399,923	578,633	12.3	-----	-----
Steele	3,222,714	3,305,103	82,389	2.5	-----	-----

CHAPTER IV.

ASSESSMENT OF INTANGIBLE PROPERTY.

While, relatively at least, the personal property list decreases from year to year, the demands for revenue constantly increase, with the inevitable result that the burden falls more and more heavily upon the property listed. The property bearing a heavier burden from year to year is the visible, or tangible, while the class escaping more and more from year to year is that which can be hid, or the intangible. While all cattle, tangibles, are probably assessed at 40 per cent of their true value, intangibles, such as money, credits, stocks and bonds, are assessed at but a small fraction of their actual value or are not assessed at all. In fact, the woes of the taxing official do not really begin until he has to do with this class of property.

MONIES AND CREDITS.

Take for instance, Classification No. 19, "Monies other than those of banks, bankers and brokers." In 1890 the total amount of this item was \$317,731. In 1912 it was but \$224,167, a decrease of nearly 30 per cent. While the money of the state decreased 30 per cent for purposes of taxation, bank deposits which should be assessed under this head increased roughly 1,600 per cent. It is hard to conceive of a more grotesque travesty on sound, fiscal policy than the pretence of taxing monies in North Dakota. A few exceptionally honest men, a few men caught in the midst of transfers of property, and the widow and the orphan, pay the mite which flows into the coffers of the state from this source.

In Barnes County, for instance, only \$1,025 was returned under this item in 1912, while bank deposits were upward of \$2,000,000. Burleigh County returned but \$2,275, while the deposits aggregated about the same as those of Barnes. Cass County listed but \$70,375, while deposits reached the very large sum of \$8,870,090. Mountrail County was taxed but \$1,899, while bank deposits amounted to \$2,636,000. Ransom County listed but \$100, while the bank deposits reached \$1,264,000. Burke, McLean and Stark Counties returned no monies for taxation, while the bank deposits of these three rich counties aggregated approximately \$5,000,000.

TABLE SHOWING NUMREB OF BANKS AND BANK DEPOSITS, ALSO MONEYS RETURNED FOR TAXATION FROM 1890 TO 1912.

YEAR	No. of Banks	Bank Deposits	Moneys Ass'd
1890	37	\$ 4,022,356	\$ 507,515
1893	106	6,708,181	745,338
1894	103	6,683,650	424,978
1895	102	7,400,115	586,906
1896	103	7,531,141	** 886,389
1898	111	9,100,289	270,251
1899	124	10,026,471	445,473
1900	155	11,222,565	265,398
1901	168	12,466,137	149,253
1902	203	19,012,954	281,555
1903	262	22,476,029	306,138
1904	283	22,311,532	283,185
1905	339	27,630,117	265,330
1906	456	36,663,989	187,725
1907	515	41,884,447	312,616
1908	553	46,989,632	224,334
1909	596	56,493,296	339,934
1910	686	68,189,923	398,854
1911	707	57,979,336	226,287
1912	733	70,302,584	224,167

*Reports for years 1891, 1892, and 1897 missing from state records.

**Until 1897, moneys of banks were also assessed. This accounts for the large returns prior to that year.

On the preceding page of this report will be found a table showing the bank deposits and the monies assessed since 1890. It will be seen that, while the number of banks and the bank deposits have steadily increased, the former from 37 to 733 and the latter from \$4,022,356 to \$70,000,000, monies assessed have decreased from half a million to a quarter of a million.

STOCKS AND BONDS.

In the matter of stocks and bonds, the loss is even more exaggerated. In 1912 the entire state only returned \$49,284 under this item, while the report for June 30, 1911, of the internal revenue commissioner reports the capital stock of the corporation other than public service, of the state, at \$55,569,094.

The law governing the taxation of this class of wealth is entirely ignored and the real and personal property of corporations is assessed the same as the property of individuals.

Credits, other than those of banks, were assessed this year at \$510,498. As this class includes mortgages and notes not held by banks, book accounts and all like evidence of wealth, there is no question but that it reaches an enormous sum and in the aggregate probably totals many times the personal property of the state returned for taxation. The 1910 Federal Census shows that the mortgages on the farms owned by the actual operators, alone, aggregated \$47,841,587. The shares of capital stock of foreign corporations is another class which remains persistently in hiding, only \$22,110 being returned in 1912. Franchises, annuities, royalties and patents undoubtedly exist in North Dakota and are valuable, but the assessors found only \$8,795 for this item.

EXPERIENCE OF OTHER STATES.

North Dakota's experience is no exception to the general experience of those states which have attempted to tax intangibles at their full value. Tax literature teems with the reports of special tax commissions, regular tax commissions, taxing experts and taxing officials bewailing the failure of the tax on intangibles. In most of the states under the uniform ad valorem system the percentage of monies and credits returned by the assessors to the true value of the property is a fraction of one per cent. As the commercial life becomes more and more complex the percentage of intangible personal wealth continually increases; yet, at the same time, the amount returned for assessment decreases. In many of the states the taxation of mortgages has been abolished altogether, the contention being that this class of property almost entirely escapes taxation, while the danger that the tax might

be enforced raises the rate of interest to the borrower from $1\frac{1}{4}$ to $1\frac{1}{2}$ per cent. In other states the determined attempt at listing and taxing at its true value mortgage wealth resulted in money leaving the state and a sharp increase in interest rates. Many laws have been enacted by state legislatures to force this class of wealth to bear an equal burden of taxation, but they have all proved inadequate. Tax ferrets and the most drastic laws have failed to bring it out of hiding. In despair, during the past dozen years, taxing officials have been turning away from the theory of the uniform ad valorem tax to a classified tax; that is, they believe that the particular rate that will return the greatest revenue to the state should be placed upon a given class of property.

It is unnecessary to continue the discussion of the failure of taxing officials to list and tax intangible property. The fact that it almost altogether escapes taxation is too generally known to be controverted. We believe the assertion will stand without contradiction that, more intangible property escapes taxation in North Dakota than the aggregate assessment of every description of property, including real estate and public service corporations.

CHAPTER V.

CLASSIFICATION OF PROPERTY.

It would be difficult to conceive of a system of taxation which would work greater injustice or one under which the burden of taxation would be less uniform than the uniform *ad valorem* system. In the past, tax officials have bewailed the depravity of human nature and have sought by tax ferrets and drastic laws to enforce a uniform tax on all property. Today tax experts are beginning to realize that there is cause for this condition.

It has been the experience of administrative officials since the dawn of government, that unjust and unreasonable laws cannot be enforced. The trouble of the tax official lies with the illogical and unscientific provisions of our state constitution, which requires that all property be assessed at a uniform rate. Since mortal man never succeeded in levying a uniform tax on all classes of property, it is a natural corollary that no taxing official ought to be required to attempt it. The first rule of taxation is that the burden should be distributed according to the ability to bear it; the second is that the uncollectable tax should be abolished.

CLASSIFICATION ILLUSTRATED.

A concrete illustration of this is to be found in the individual who has his money in the bank. It is there largely as a matter of safety and accommodation and also because of the interest paid. Supposing that "tax-payer A" has \$10,000 in the bank on which he is receiving four per cent interest; the local rate of taxation, we will say, is six per cent; the bank is required under the law to list this deposit for taxation. What is the result? Plainly, tax-payer A will not submit to taxation, if he can help it, which absorbs all of his income and a portion of his principal each year. He will withdraw his money from the bank and invest it where it will either escape taxation or where he will only sacrifice a portion of his income in taxes. If, instead of 6 per cent, taxpayer A had only been required to pay 30c on each \$100 of his deposit, he would probably have paid it and the state would have been ahead the revenue. As the law exists, enforce the tax and you destroy the banks, with all the entailed disasters to the state.

UNIFORM METHOD DISCARDED.

Many progressive states have discarded the doctrine of the uniformity of taxation and have accepted the theory of a diversified tax which allows them to place a rate upon each particular class which will return the largest revenue without injury to business or injustice or hardship to the individual. The placing of a light tax upon intangibles has been tried in several states of the union and by many foreign countries. The City of Baltimore was one of the pioneers in this experiment of taxation and achieved satisfactory results. In 1896 the City returned \$58,700,000 of securities, upon which was imposed a tax of $17\frac{3}{4}$ mills for state purposes and 30 mills for city purposes. In 1900 a law was enacted which provided that credits should be assessed 30c on \$100. During the ten-year period from 1898 to 1908 the taxable basis of intangible wealth in the city increased from \$58,700,000 to \$150,000,000, or roughly 150 per cent.

CLASSIFICATION IN SWITZERLAND.

In Switzerland personal property yet remains a substantial basis for taxation. As it is a confederation, it affords a most favorable opportunity for a comparison with the United States of the operation of the personal property tax. The systems of taxation vary in the various cantons, but it is safe to say that far better results are obtained under their worst conditions than under the most favorable in the United States. Not so much dependence is placed upon the personal property tax as a source of revenue. The systems are more varied and a larger class of objects fall under taxation. Roughly speaking, the cantons divide themselves into four classes.

In class one the operation of the personal property tax is very successful. Property is listed by the declaration of the taxpayer, and the evasions are on the part of the small, rather than the large estates. In the second class the laws are stringent and vigorously enforced, but the results are varied and unsatisfactory. In the third class the laws are efficient but laxly enforced, but the taxation of personal property is highly successful. In the fourth group conditions prevail much like those in the United States at the present time. The laws are drastic and most stringently administered, and yet the results approach the nearest to a complete failure to any of the four classes.

The question naturally arises, "why are better results obtained in cantons where the law is less drastic and less stingently administered than in cantons where it is closely administered and most drastic?" It clearly shows that arbitrary laws are not

sufficient for the collection of a personal property tax; it must conform to scientific principles. An examination of the rates in the various cantons furnished the key to the problem.

In the first group the tax ranges from 40 to 70c per \$100 and is much less in the smaller estates.

In the second group the rate is varied, which results in the varied success of the tax. Where the rate is high, from \$1 to \$1.20 per \$100, the returns are meager on that class of property which can evade taxation, but the returns are much more complete where the tax does not exceed from 40 to 60c on \$100.

The third group, owing to its economical and financial position, is not compelled to raise as much revenue as in the second and fourth groups, and the tax does not exceed from 30 to 60c on \$100. The result is that little tangible property seeks to avoid taxation.

In the fourth group the tax ranges from 80c to \$2.00 on \$100, and the result is all but a complete failure. All property that can evade taxation escapes and in contrast with the other three groups, the revenue is very small.

To summarize, the experience of Switzerland is that, where the tax does not exceed 50c on \$100, the returns from a given amount of property are much greater than the returns from the same amount of property on which the tax ranges from 50c to \$2, returns decreasing as the tax increases.

Prof. Bullock, to whom we are indebted for many interesting facts in connection with the Swiss system of the personal property tax, says: "Swiss experience shows that, with good administration and a moderate rate of taxation, personal property can be taxed with reasonable success. It also demonstrates that the most Draconian laws and rigorous administration are powerless to reach the great mass of personalty when the tax rate exceeds the bonds of reason and moderation. In Switzerland this fact finds general recognition; if American states would take it to heart they could speedily solve the most difficult problem in the whole realm of taxation."

THE MINNESOTA EXPERIMENT.

However, we do not need to go to Switzerland, Baltimore or Pennsylvania to study the minimum tax on intangibles. In 1910 the Minnesota Legislature placed a three mill tax on monies and credits. Prior to that time taxing officials, including their most able tax commission, despaired of listing any considerable portion of this class of property. In 1910 the assessed value of monies and credits included in the three mill tax law amounted to \$13,919,806. In 1911, under the new law, the amount returned for taxation was \$115,676,126, an increase of 731 per cent

over the preceding year. With three of the 86 counties of the state estimated, the assessment of monies and credits this year is \$135,034,476, an increase of 16.7 per cent over 1911. Based on the population of 1910, the per capita assessment of this class of property was \$6.70 in 1910, \$55.73 in 1911 and \$65.06 in 1912. Compared with bank deposits the assessment of 1910 represented only 4.2 per cent of such deposit, while in 1911 it equalled 33.8 per cent and in 1912, 42.3 per cent. In North Dakota in 1912 monies and credits were assessed at \$734,584, while bank deposits aggregated \$70,302,584. While Minnesota secured under her three mill law the assessment of 43.3 per cent of bank deposits, North Dakota secured a trifle more than 1 per cent of bank deposits. Not only is much more property listed under the three mill law, but the burden is much more widely distributed, and hence, more equitably distributed among the people. This is shown in the large increase of the number of people assessed. In 1910, 6,200 people were included as paying taxes under this item. In 1911 the number was 41,439 and in 1912, 49,949.

For convenience in comparing the different items for the three years, we give the following tables:

RECAPITULATION.

	1910	1911	1912
Number assessed	6,200	41,439	49,949
Total assessment	\$ 13,919,806	\$ 115,076,126	\$ 135,043,476
Per capita assessment	\$ 6.70	\$ 55.73	\$ 65.06
Per cent of bank deposits	4.2	33.8	42.3
Per cent increase over 1910		731	870
Per cent increase over 1911			16.7

Notwithstanding the low rate of taxation, the amount of revenue derived from the three mill tax on money and credits in 1911 was nearly as large as that of 1910, when the rate averaged over 28 mills. The total tax on this class of property in 1910 was \$379,754.58; in 1911 it was \$347,028.38, a decrease of \$32,726.18, or 8.2 per cent, compared with the preceding year. Excluding Minneapolis and St. Paul from the statement, the balance of the state made a net gain in revenue from this source of \$71,505.85 in 1911 over 1910. Of the 86 counties of the state, 68 showed a gain and 18 a loss in revenue compared with 1910. In the 64 cities and villages of the state having a population in 1910 of 2,000 and over, 53 gained and 11 lost revenue.

The heaviest decrease in the cities was in Minneapolis and St. Paul, but this decrease was more apparent than real. For many years a custom prevailed in both of these cities of first fixing the aggregate assessment to be made against the more wealthy individuals, firms and corporations, and then making an arbitrary division of the assessment among the items of the personal property list, without much regard to the actual value of the property included in the assessment. The amount was probably less than the assessed figures indicate. For this reason the Minnesota Tax Commission is inclined to think that the loss of revenue in these cities from this source in 1911 compared with 1910 was more apparent than real.

CONDITIONS IN NORTH DAKOTA.

It seems clear to the officials having to do with the administration of revenue laws that the uniform ad valorem tax is anything but uniform and that it works a hardship to the owner of tangible property. Theoretically it might seem that the tax burden would be fairly distributed by attempting to tax all property uniformly, yet, as a matter of fact it does not produce equality and there is no hope, if we can judge the future by the past, that it ever will justly distribute the tax burden. Little, if any, revenue is received from mortgages in North Dakota, although they are required to be assessed at their full value in money. Experience shows that the borrower often pays the tax which is ever levied in a higher rate of interest. Would it not be better to impose a lighter rate or a registration tax, such as has been adopted by New York and Minnesota, on this class of wealth, rather than let it escape taxation altogether. There are many ways of reaching taxable property other than by a uniform ad valorem tax if enough latitude is but given legislative and administrative officials. In Pennsylvania, West Virginia, New York, Maryland, Washington, California, Wisconsin and many other states, the attempt at uniform assessment has been abandoned and property is classified, and various rates and various kinds of taxes are applied to different classes of property. The general property tax, the income tax, the inheritance tax, and licenses and fees are employed; one scheme of taxation is peculiarly adapted to one class of property and another to another; one rate will bring returns on one class of property but absolutely nothing on another class, so the rates are varied.

The fear of those who advocate the uniform ad valorem tax is that tangible property, as well as real estate, will bear an unjust share of the tax burden. This fear has kept in vogue an antiquated tax system, which was sufficient in the days of our fathers when nearly all property was tangible. The effect of this system

is that real property, according to the United States Census of 1910, bears 83 per cent of all of the state and local tax of this country. The experience of those states and countries which have adopted the classified tax system is that, instead of increasing the burden upon real property, it more nearly reaches all classes of property with some portion of the burden of taxation and relieves land from its burden to just that extent.

In North Dakota the legislative and administrative officials are held hard and fast to the uniform ad valorem tax by a clause in the State Constitution. The 1911 legislative assembly passed a concurrent resolution repealing this section and providing for classification. It is before the present assembly and if passed will go to the people for ratification in 1914. This proposed amendment is, in the judgment of this commission, adequate to meet the situation and we earnestly urge its adoption by this assembly and its ratification at the polls in 1914.

THE PENDING CONSTITUTIONAL AMENDMENT.

The following is the concurrent resolution as it passed in the last legislature:

UNIFORMITY OF TAXATION AND CLASSIFICATION OF PROPERTY.

Concurrent Resolution Amending the Constitution of the State of North Dakota, Relating to Uniformity of Taxation and Permitting the Classification of Property for the Purpose of Taxation and Relating Further to the Assessment and Taxation of Certain Public Utility Companies.

Be it Resolved by the House of Representatives of the State of North Dakota, the Senate Concurring:

The following proposed amendments to sections 176 and 179 as amended by article 4 of the Constitution of North Dakota of article 11 of the Constitution of the state of North Dakota, is referred to the legislative assembly to be chosen at the next general election in said state, to be by the said last mentioned legislative assembly submitted to the qualified electors of the state for approval or rejection, in accordance with the provisions of section 202 of the Constitution of the state of North Dakota:

(Amendment.)—Section 176 of the Constitution of the state of North Dakota is amended to read as follows:

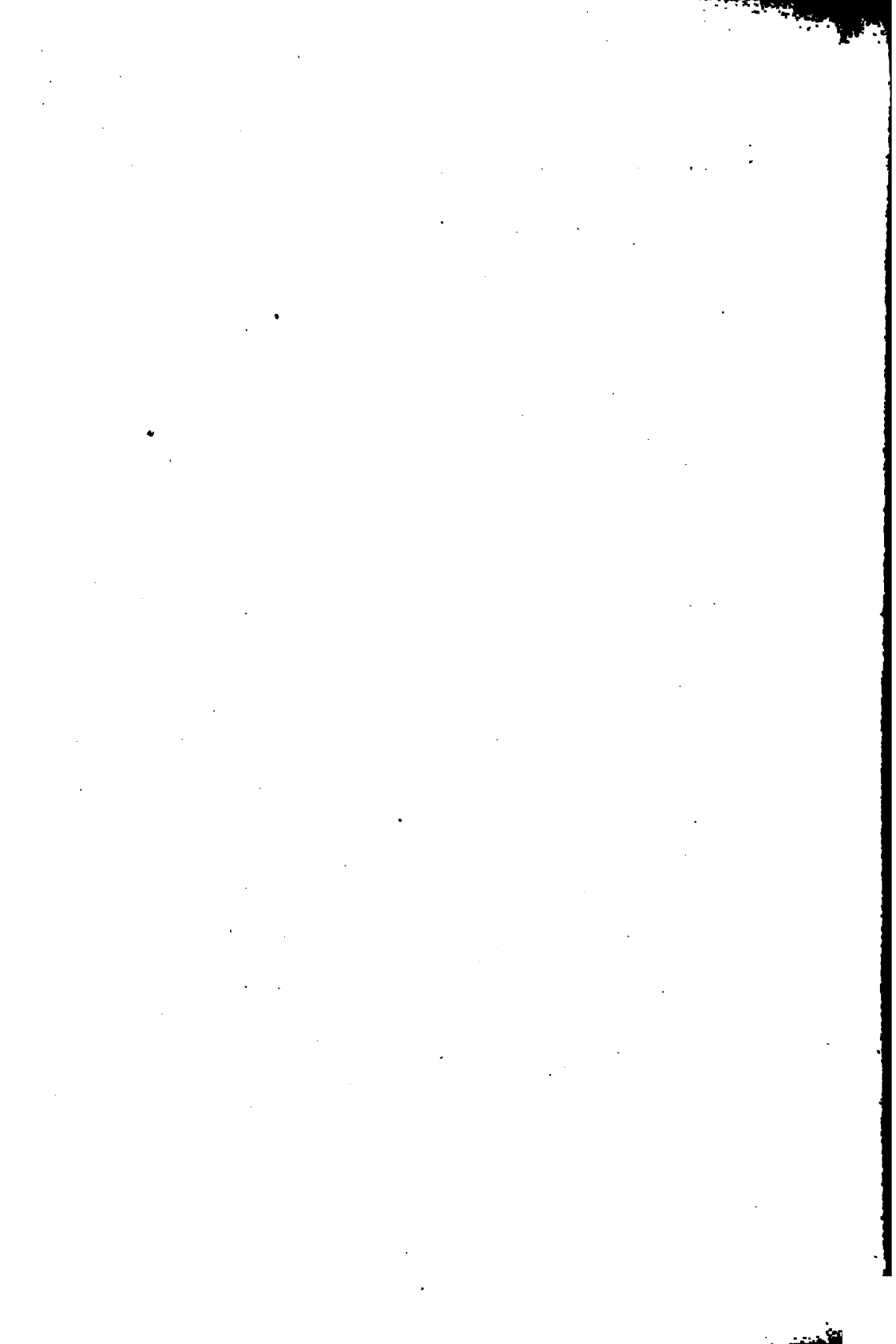
Section 176.—Taxes shall be uniform upon the same class of property including franchises within the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only, but the property of the United States, and

of the state, county and municipal corporations, shall be exempt from taxation; and the legislative assembly shall by a general law exempt from taxation, property used exclusively for school, religious, cemetery, charitable and other public purposes and personal property to any amount not exceeding in value two hundred dollars for each individual liable to taxation; provided that all taxes and exemptions in force when this amendment is adopted shall remain in force, in the same manner and to the same extent, until otherwise provided by statute.

VIEWS OF U. S. SUPREME COURT.

That the classification of property for purposes of taxation is upheld by the highest legal as well as the highest economic authority is instanced by the decision of the United States Supreme Court in the case of the Pacific Express Co., vs. Siebert, 142 U. S. 339:

“This court has repeatedly laid down the doctrine that diversity of taxation, both with respect to the amount imposed and the various species of property selected either for bearing its burdens or for being exempt from them, is not inconsistent with a perfect uniformity and equality of taxation in the proper sense of those terms; and that a system which imposes the same tax upon every species of property, irrespective of its nature or condition or class, will be destructive of the principle of uniformity and equality in taxation and of a just adaptation of property to its burdens.”



CHAPTER VI.

ASSESSMENT OF BANK STOCK.

One of the problems that is constantly recurring to vex assessors as well as county and state boards of equalization, is the problem of how properly to assess bank stock. There is a widespread dissatisfaction with the present method of assessment, if, indeed, it can be said that the assessment of bank stock is made in pursuance of a method. This dissatisfaction is shared by both the taxing officers and the banks, and when one surveys the practice under our laws there is little wonder that dissatisfaction exists. In order that an understanding may be had, it will be well to consider first the provisions of the law, and then the practice. It will then be possible to ascertain whether the law and practice accomplish the desired ends, and if not whether the defects are attributable to a law based on wrong principle, to improper administration, or to both.

The statute governing the matter is as follows:

"Bank stock, where and at what valuation to be listed. The stockholders of every bank located in this state, whether such bank has been organized under the banking laws of this state, or of the United States, shall be assessed and taxed on the value of their shares of stock, in the county, town, district, city or village where such bank or banking association is located, and not elsewhere, whether such stockholders reside in such places or not; such shares shall be listed and assessed annually, with regard to the ownership and value thereof on the first day of April of each year. To aid the assessor in determining the value of such shares of stock, the accounting officer of every bank shall furnish a statement to the assessor, verified by oath, showing the amount and number of such shares of capital stock of such bank, the amount of its surplus or reserve fund and undivided profits in excess of an amount equal to five per cent of the loans and discounts of such bank; the amount of its net investment in real estate, which real estate shall be returned in the name of the bank and shall be assessed and taxed as other real estate is under this article. To determine the real value of such real estate investments the assessors shall strike from his lists all real estate which said bank has sold to any party or parties under any contract whereby the party or parties making and signing such contract agrees to pay all taxes levied against

said property. The assessor shall deduct the net amount of said investment in real estate from the aggregate amount of such capital and surplus, and the remainder shall be taken as a basis for the valuation of such shares of stock in the hands of the stockholders subject to the provisions of law requiring all property to be assessed at its true and full value. The shares of capital stock in national banks not located in this state, held in this state, shall not be required to be listed under this article."

It is the avowed aim of the statute "to aid the assessor in determining the value of such shares of stock." In order to accomplish this purpose the statute requires the accounting officer of every bank to "furnish a statement to the assessor, verified by oath, showing the amount and number of such shares of capital stock of the assessed bank, the amount of its surplus or reserve fund and undivided profits in excess of an amount equal to five per cent of the loans and discounts of such bank; the amount of its net investment in real estate." In prescribing the rule for valuing the stock under the statement above referred to, the statute provides that the assessor "shall deduct the net amount of said investment in real estate from the aggregate amount of such capital and surplus and the remainder shall be taken as a basis for the valuation of such shares of stock in the hands of the stockholders, subject to the provisions of the law requiring all property to be assessed at its true and full value." It will be readily seen that the primary aim of the statute is to fix a rule for the valuation of the bank stock for assessment purposes, and, through the operation of this rule, a secondary object is to be accomplished, namely; to avoid taking both bank stock and real estate in which the capital of a bank may be invested. The statute very properly recognizes that the value of the bank stock is enhanced by the amount of surplus, reserve and undivided profits, and it is provided that the amount of this fund, in excess of five per cent of the loans and discounts, shall be added to the capital and that the sum shall form the basis of the valuation for assessment purposes. In order, however, to avoid double taxation, so much of the capital as is invested in real estate, which is assessed in the name of the bank is required to be subtracted. This rule for determining the value of bank stock for assessment purposes is one that has, with slight variations, been adopted in many of the states. There are two features of this rule that give rise to difficulty in assessment, and which are therefore worthy of attention. 1st. The provision permitting the subtraction of five per cent of the loans and discounts from the surplus or reserve fund and undivided profits. 2d. The provision authorizing the subtraction of the net investment in real estate. After commenting on the chief objects of the rule laid

down in this statute two provisions will be considered in the order named.

In all the discussion relating to the assessment of bank stock under the provisions of the statute it must be borne in mind that it is the aim to assess bank stock at its book value as distinguished from its market value. No attempt is made to assess the bank stock upon the basis of an added value which might be called excess due to good will; thus, in instances where bank stock might readily be transferable at a price greater than the proportion of capital, surplus, reserve and undivided profits apportioned to such share, this is not taken into account in making the assessment. On the other hand, if perchance, the actual value of a share of stock should be less than the proportionate share of capital, surplus, reserve and undivided profits, this circumstance is not taken into consideration in making the assessment. The statute would undoubtedly warrant the changing of the assessed value to correspond with actual value, inasmuch as the provisions above referred to operate "subject to the provisions of law requiring all property to be assessed at its true and full value." But in practice the book value alone is relied upon. However, it is believed that the instances where stock in banks is salable at a premium are much more frequent than those where they are salable below the book value.

THE PROVISION PERMITTING THE SUBTRACTION OF FIVE PER CENT OF THE LOANS AND DISCOUNTS FROM THE SURPLUS OR RESERVE FUND AND UNDIVIDED PROFITS.

At the outset we find that North Dakota is the only state in the Union which permits the basis of the valuation of bank stock for assessment purposes to be reduced by an amount equal to five per cent of the loans and discounts. It is difficult to conceive of any condition peculiar to North Dakota justifying this rule upon the basis of banking economy. The provision is apparently designed to encourage conservative banking. This it does by creating an exemption in favor of surplus, reserve and undivided profits. However desirable this measure of encouragement might seem, the fact remains that the policy of encouraging in this manner the development of particular business enterprises is one that is not sanctioned by the constitution of the state, which requires uniformity of valuation for assessment purposes.

Furthermore, when we consider this provision merely as an exemption, either to the bank or the individual stockholder, the constitutionality of the statute authorizing it, may well be questioned. The constitution of North Dakota provides that the "legislative assembly shall by a general law exempt from taxation

***** personal property to any amount not exceeding in value two hundred dollars for each individual liable to taxation." The legislature in pursuance of this constitutional authority passed a general statute. Section 1484, Sub-division 8: "exempting personal property of each individual subject to taxation to the amount of ten dollars." It seems clear that the statute exempting an amount of surplus, reserve and undivided profits equivalent to five per cent of loans and discounts cannot be legally defended as a valid exemption law, first, because the exemption may or may not amount to more than the constitutional limit, second, the statute is only applicable to owners of bank stock and is not an exemption to "each individual liable to taxation," provided by general law.

It is not likely, however, that this provision was inserted in the statute with a view of creating an exemption. Whether or not it operates as an exemption is another matter. The reduction has probably been allowed on the theory that since the surplus, reserve and undivided profits are created with a view of protecting depositors against consequences of mistaken judgment in the matter of loans and discounts, and, since experience demonstrates that there will be occasional losses due to inadequacy or shrinkage of security, it is only just in estimating the value for taxation to subtract such a sum as will care for the burden directly chargeable against these funds. So considered the law is on a par with laws that have been passed in other states, authorizing debts to be subtracted from credits. These laws have universally proved unsatisfactory. Furthermore, there is not another provision to be found in our statutes authorizing a reduction in the taxable value of property on account of the liabilities of the owner of the property. Even in assessing real estate, we assess the mortgaged land to the owner, presumably, though not actually, at full value, and the assessment is not reduced by the amount of the mortgage that there may be against the land. If the propriety of subtracting a percentage of loans and discounts for taxation purposes be conceded then justice should require that the percentage subtracted be only that necessary to care for the bad loans. All the information that this Commission has been able to obtain points to the conclusion that in practice the percentage of bad loans is much less than five per cent of the entire loans. This is the testimony, not merely of officials, but of many of the bankers. After all it must be remembered that the statute aims primarily to arrive at the value of bank stock and it cannot be said that the saleable value of bank stock generally is under the book value to an extent equal to five per cent of the loans and discounts.

In practice this provision of the statute has been productive of inequality of tax burden between the banks. In a number of

instances where the surplus, reserve and undivided profits was less than five per cent of the loans and discounts the surplus, reserve and undivided profits have been added to the capital and from this sum five per cent of the loans and discounts have been subtracted, with the result that in these instances the assessment basis has been less than the capital stock. On the other hand, many banks in filling out their statements for assessment purposes have indicated in the statement that the surplus, reserve and undivided profits did not exceed five per cent of the loans and discounts and consequently they did not add surplus and capital and subtract five per cent of the loans and discounts. The procedure in the latter cases was undoubtedly correct and the one that should be universally followed. The statute very clearly does not purport to give an absolute right to subtract five per cent of the loans and discounts. (A recommendation with regard to this provision of the statute is made in another part of this report).

THE PROVISION AUTHORIZING THE SUBTRACTION OF THE NET INVESTMENT IN REAL ESTATE.

Our law is not peculiar in allowing a subtraction for the investment in real estate, and it would seem that such procedure is necessary in order to avoid double taxation. However, the privilege of reducing the value of the stock for assessment purposes by the full amount of the net investment in real estate is one which readily lends itself to abuse. This provision of the statute is a most fertile source of dissatisfaction. It is unsatisfactory both to the tax officials of the state and to the banks. It is unsatisfactory to tax officials because of the difficulty in administering the law in such a way as to prevent abuses. It is unsatisfactory to the banks because it tends to, and does produce inequality of tax burden between those engaged in the same business. Good banking frowns upon the practice of tying up bank capital in real estate investments, yet the law which authorizes the full net investment in real estate to be subtracted from the assessment basis of the bank holds out a constant temptation to the banks to retain real estate investments upon their books which they can use as an effective weapon to avoid high taxation upon bank stock. It is, of course, provided that banks may legitimately invest in real estate sufficient capital to provide for a suitable site and structure and in addition to this banks may from time to time, in the interest of self protection, be compelled to take real estate to protect them from the consequences of loss through loans. Wherever real estate is acquired in the latter manner, however, good banking policy requires that it be converted as soon as possible without loss. A law of this character cannot

but prove a source of annoyance to those intrusted with the administration. It is possible, however, to very materially improve the administration under this provision of the law and the tax commission will undertake measures of improvement that ought to reduce, in some degree, the ill effects of the law.

To show how the law may operate in such a way as to produce an inequality of tax burden between banks, we may test its application under circumstances which very frequently exist. Banks A and B do business in a city. They are competing institutions. Owing to the high state of development of community life, the tax rate in the city is high. Bank A has presumably one-fifth of its capital invested in its site, banking house and fixtures. Bank B has the same investment in these items, but also has a substantial investment in real estate situated in remote country districts where the rate of taxation is low. It will, nevertheless, subtract from what would otherwise be its assessment basis the full investment in real estate. Thus while the law aims to tax bank stock at the place where the bank does business and at the rate obtaining in that taxing district, the valuation of bank stock for assessment purposes is reduced by the net investment in real estate in another taxing district, (even in other counties, states or foreign countries) where the rate of taxation is much lower. The statement of one bank gives an instance of the inequality above described. It does business in a city where the tax rate is between 65 to 70 mills and returns one-fifth of the capital invested in real estate in a county where the average rate outside of cities and villages is 31 mills. It will readily be seen that while the law aims to give to the community where the bank is situated the benefit of the assessment of the bank stock, it is deprived of a substantial portion of the value in this instance, and that the attempt to prevent double taxation has in this instance resulted in but half taxing that portion of the capital invested in country real estate.

At the last session of the legislature an act was passed (Chapter 54, Laws of 1911) limiting the investment in real estate to thirty per cent of the total capital, and further providing that in case real estate should come to the bank as a result of foreclosure, or other transaction, made for the protection of the bank against loss, the real estate in excess of thirty per cent of the capital stock should be converted within a limited time. A rigid execution of this provision of the law will go a long way toward preventing such inequalities as result from the practices above indicated.

In Minnesota and Wisconsin little or no difficulty is experienced in the matter of assessing bank stock. In neither of those states, however, may banks subtract from the sum of the capital, surplus, reserve and undivided profits real estate investments

to an unlimited amount. In Minnesota they are restricted to the legal investment, and in Wisconsin to the amount invested in banking house and site. In view of the fact that most of the conflict between banks and local authorities is due to the reduction of the assessment basis by the subtraction of an amount representing real estate investments, which in many instances almost equals and sometimes exceeds the capital. A limitation upon the amount of real estate investments, which, to prevent double taxation, may be subtracted from the assessment basis, would reduce friction to a minimum. (Recommendations in accordance with the views herein expressed will be found on Page 157 of this report.)

A careful study of the statements upon which the assessment for 1912 was based reveals still another source of inequality that may well be mentioned. The statements reveal a lack of uniformity in practice in regard to the item of furniture and fixtures. In many of them the investment in furniture and fixtures is subtracted in the same way as though it were real estate, while in others it is apparent that this investment has not been subtracted. There should be uniform practice in this respect and the Tax Commission will undertake to establish a rule of universal application, which shall be in accord with the intent of the law.

REFORM IN METHODS OF ASSESSING BANK STOCK.

Not a little of the difficulty experienced in assessing bank stock is due to our methods of assessment. Under the law local assessors are required to make the assessment upon the statement furnished by the bank. While it would seem to be an easy matter to make the assessment upon the basis of the statement rendered, nevertheless it very often turns out that the local assessor fails to do the work properly. If there is more than one bank in the taxing district under the jurisdiction of the assessor and he should fail to make an assessment that would be equitable as between the different banks, there is no legal way in which the error could be corrected after the assessment gets beyond the district authorities. Our statutes providing for the review and equalization of assessments have been so interpreted (*First National Bank of Casselton vs. Lewis, County Auditor, et al*, 18. N. D. 390) as to preclude the board of county commissioners from changing individual assessments, except in unorganized townships. It can only equalize between the various assessment districts. All inequalities there may be within a taxing district will remain unless some extra legal procedure is had to change the assessment.

In practice the county commissioners, with the assistance of the county auditor, practically determine the assessment of bank stock within the county. In most instances this is done without legal authority. In some instances assessors have purposely omitted to return bank stock in order to lay a foundation for the assessment of the bank stock by the county auditor and board of county commissioners as escaped property—a procedure of doubtful propriety. It would seem that the difficulty experienced in making a proper assessment of bank stock would justify a change in the administrative measures. We believe it would be well to expressly confer upon the board of county commissioners, acting as a board of review and equalization, the power to review individual assessments of bank stock. This would legalize what is already, to a great extent, the practice and would greatly facilitate the administrative work of the tax commission in procuring a proper assessment. Such a measure is not open to the criticism of its being “special legislation.” It is wholly warranted by circumstances and needed in the interest of equality. (See Recommendation on page 157 of this report).

SAVINGS BANKS.

Since the statute quoted at the beginning of this chapter was adopted the legislature has authorized the creation of savings banks under a charter provided in chapter 56, Laws of 1911. It would seem that there could be little doubt that savings banks created under the charter provided for in the legislation of 1911 are assessable under the statute above referred to in the same way as banks organized under the general bank law. There would seem to be no reason why savings banks should not be assessed under the same rules as other banks and it will be the policy of this commission to advise their assessment accordingly.

TRUST COMPANIES.

There are already organized in this state several trust companies having the charter powers granted under Chapter 22, the Code of 1905. The powers granted to these trust companies are very broad; they being authorized, among other things, to accept and receive deposits of money for general savings account, and “to loan money upon such securities as may be deemed advisable by the board of directors, and to borrow money in like manner upon the security of its own property or credit.” In brief, they may do much of the business that a bank may do and,

in addition, they are authorized to accept trusts and sign surety bonds. No special provision has been made for taxing the stock of corporations organized thereunder.

There are, however, two sections of the Code, one of which should be applied in assessing stock of trust companies. One, section 1503, provides a method for the assessment of the property "of companies or associations." The other section, 1508, is the section heretofore quoted, which provides for the assessment of bank stock. There are two main reasons why section 1503 should not be applied to the assessment of the stock of trust companies.

First. The section authorizes the total amount of indebtedness to be subtracted from the market value, or actual value of the shares of stock. Obviously, this provision would be inappropriate as applied to any corporation authorized to receive, generally, deposits of money, inasmuch as the deposits represent "indebtedness." This would, in every instance, exceed the "actual value of the shares of the stock."

Second. Section 1503 is practically a dead letter as applied to corporations generally, corporations having been assessed in this state on their property only. The defects of this provision as applied to corporations generally are discussed elsewhere in this report.

Local trust companies are not subject to the $2\frac{1}{2}$ per cent premium tax on the bond business that they do. This tax is only applicable to foreign companies. They now pay to the insurance commissioner a small license fee and a nominal fee for filing their report.

In view of the nature of their charter and the reasons given above we believe that trust companies should be assessed in the manner provided for assessment of bank stock and to this end we recommend that the provisions of section 1508 amended in the manner hereinbefore indicated should be made expressly applicable to trust companies organized under chapter 22 of the Code of 1905. (See recommendation on page 157 of this report.)

REPORT OF TAX COMMISSION

TABLE SHOWING ASSESSMENT OF BANK STOCK IN 1912 AND RANGE OF AVERAGE VALUE PER SHARE

County	Assessment, 1912	Av. Assessed Val. per Share
Adams	\$ 33,077.00	\$ 26.46
Barnes	130,194.00	25.42
Benson	87,790.00	31.35
Billings	113,100.00	70.68
Bottineau	127,268.00	25.63
Bowman	44,701.00	29.80
Burke	24,797.00	14.24
Burleigh	131,944.00	49.34
Cass	275,368.00	30.82
Cavaller	117,615.00	28.54
Dickey	83,177.00	42.65
Divide	37,022.00	29.50
Dunn	15,000.00	50.00
Eddy	28,701.00	23.92
Emmons	39,333.00	35.75
Foster	41,218.00	30.53
Grand Forks	209,696.00	32.51
Griggs	61,480.00	31.21
Hettinger	40,121.00	27.29
Kidder	25,833.00	39.14
LaMoure	106,307.00	28.98
Logan	25,473.00	29.96
McHenry	138,306.00	34.58
McIntosh	19,814.00	22.00
McKenzie	17,135.00	26.36
McLean	68,905.00	32.05
Mercer	32,078.00	34.80
Morton	139,816.00	40.50
Mountrail	43,094.00	21.02
Nelson	55,570.00	32.68
Oliver	4,200.00	42.00
Pembina	100,029.00	29.46
Pierce	21,653.00	26.73
Ramsey	158,512.00	36.34
Ransom	56,735.00	20.55
Renville	35,390.00	22.46
Richland	124,370.00	24.36
Rolette	41,280.00	28.47
Sargent	56,522.00	31.40
Sheridan	45,000.00	37.50
Stark	84,480.00	31.84
Steele	77,992.00	33.48
Stutsman	151,879.00	35.32
Towner	78,424.00	34.85
Traill	113,686.00	30.32
Walsh	81,752.00	27.02
Ward	174,552.00	29.63
Wells	85,184.00	36.87
Williams	104,437.00	32.43
Total	\$ 3,910,008.00	Av. \$ 32.01

CHAPTER VII.

TAXATION OF CORPORATIONS.

I. PRINCIPLES.

The marvelous development of the country industrially has been accompanied by, if indeed it is not largely attributable to, the great centralization of capital applied to industry under the forms of corporate organization. The amassing of wealth under the ownership of an impersonal legal entity and the superior marketing facilities for the stocks and bonds, representing not merely the wealth but the measure of probable continuing earning ability of the corporation, has given rise to problems of taxation that have been difficult of solution. If evidence is needed of the difficulties involved in the solution of these problems, it is afforded by the most cursory investigation of the methods adopted by various states. There is an utter lack of agreement on even fundamental matters and the whole question may be said to be involved in a cloud of legal chaos. However, this much is certain, that the problem of handling corporation assessments is one that must be dealt with according to the needs of the situation; and the situation is one that is peculiar to the corporate form of industrial organization.

Prof. E. R. A. Seligman, after a thorough discussion of the subject of Taxation of Corporations, draws certain conclusions and states certain principles which may well form a guide for future legislation on the subject. These conclusions are as follows:

1. "Corporations should be taxed separately and on different principles from individuals."
2. "Corporations should be taxed locally on their real estate only."
3. "Corporations should be taxed for state purposes on their earnings or on their capital loans."
4. "Only so much of total earnings or capital should be taxed as is actually received or employed within the state. In the case of transportation companies, a convenient and fairly accurate test is mileage."

5. "Where capital and loans are taxed, the residence of the shareholder or bondholder should be immaterial."

6. "There should be no distinction between domestic and foreign corporations. Each should be taxed for its business done or capital employed within the state."

7. "If corporations are taxed on their property, property beyond the state should be exempt."

8. "If corporations are taxed on their capital stock, they should not be taxed again on their property."

9. "Where the corporate stock or property is taxed, the shareholder should be exempt. If corporate loans are taxed, the bondholder should be exempt."

10. "Where the corporation and the shareholder or bondholder are residents of different states, the tax should be divided between the states by interstate agreements."

11. "An additional tax should be levied on corporations which have through natural, legal or economic forces become monopolistic enterprises."

II. CLASSIFICATION OF CORPORATIONS FOR PURPOSES OF ASSESSMENT IN NORTH DAKOTA.

For purposes of assessment, corporations in North Dakota may be divided into five classes:

1. Those coming within Section 1503 of the Code of 1905, which provides for the assessment of all companies or associations whether incorporated or unincorporated, according to a method therein prescribed, excepting therefrom banking corporations, whose taxation is specially provided for.

2. Banking corporations, the assessment of which is provided for in Section 1508 of the Code of 1905.

3. Railroads, express companies, telegraph, telephone companies, freight line companies, etc., which are assessed by the state board of equalization.

4. Light, heat and power companies, which under the Laws of 1911 are assessable by the tax commission.

5. Foreign Insurance Companies.

In the discussion which follows it will be impossible to entirely separate these classes one from the other on account of provisions of the law which overlap and seemingly apply to more than one class.

I. COMPANIES AND ASSOCIATIONS GENERALLY.

a. The Law:

Section 1503 of the Code of 1905 provides for the assessment of companies and associations as follows:

"Property of Companies or Associations, how and by whom Listed. The president, secretary or principal officer of any company, or association, whether incorporated or unincorporated, except banking corporations whose taxation is especially provided for in this article, shall make out and deliver to the assessor a sworn statement of the amount of its capital stock, setting forth particularly:"

1. The name and location of the company and association.
2. The amount of capital stock authorized and the number of shares into which said capital stock is divided.
3. The amount of capital stock paid up.
4. The market value, or if they have no market value, then the actual value of the shares of the stock.
5. The total amount of all indebtedness except the indebtedness of current expenses, excluding from such expenses the amount paid for purchase or improvement of property.
6. The value of all real property, if any.
7. The value of its personal property."

"The aggregate amount of the fifth, sixth and seventh items shall be deducted from the total amount of the fourth, and the remainder, if any, shall be listed as 'bonds or stocks,' under subdivision 23 of section 1496. The real and personal property of each company or association shall be listed and assessed the same as other real and personal property. In all cases of failure or refusal of any person, officer, company or association to make such return or statement, it shall be the duty of the assessor to make such return or statement from the best information he can obtain."

It is manifestly the aim of this statute to provide a means of measuring what is called "corporate excess," "franchise value" or "good will." This excess is the value of the corporate stock over and above the value of its tangible property. The statute quoted above is vitally defective in the means provided for arriving at this value.

b. Defects of the Law.**Economic Defects:**

The statute quoted above is economically defective in laying down the rule for determining the value of "corporate excess." It provides for the subtraction of corporate indebtedness from the market value of the stock thus authorizing what is tantamount to a double subtraction of indebtedness. If it is to be assumed that the faculty of the corporation is a proper basis for taxation then the law should provide a means of measuring the faculty which will correspond with actual conditions in the field of corporation finance. If a corporation has a capitalization of one hundred thousand dollars, tangible assets valued at seventy-five thousand dollars and a corporate indebtedness of fifty thousand dollars the amount of corporate indebtedness, of course, reduces by the same amount the market or actual value of the stock. If from this market or actual value as already reduced the indebtedness is subtracted we have a remainder that will under usual conditions fall below the tangible property, consequently we will have no "corporate excess." The actual working capital of the corporation will be an amount equivalent to the market or actual value of the stock plus the indebtedness, except indebtedness for current expenses, and it is this sum that represents the faculty of the corporation. If from this sum the value of the tangible property, otherwise assessed, is subtracted we arrive at the "corporate excess."

The highest economic authorities support the view that in arriving at the corporate faculty the market value of the stock and indebtedness should be added. On this point Prof. E. R. A. Seligman says the following:

"This issue of mortgage bonds by a corporation is simply another mode of increasing the working capital. Correct policy demands the taxation of corporation bonds, as well as of stock, of loans as well as of share capital." (Essays in Taxation, page 214.)

This view has the support, not only of economic authority but the principle is one that has commended itself to officials charged with the assessment of corporations elsewhere. Since 1873 the board of equalization of Illinois has used the principle above referred to in arriving at the assessment of corporate stock. The following resolution adopted by the Illinois State Board of Equalization in 1909 shows the method there pursued in assessing corporations: The main features of this resolution have been embodied in the rules of the state board of equalization since 1873.

"Resolved, That for the purpose of ascertaining the fair cash value of the capital stock, including the franchise, of all companies or associations now or hereafter created under the laws

of this state, and for the assessment of the same, or so much thereof as may be found to be in excess of the equalized valuation of the tangible property of such companies and associations, respectively, we, the State Board of Equalization, hereby adopt the following rules and principles:

"First. The fair cash values of the shares of capital stock (consideration being given among other things, to the value of the shares of stock and the quotations of such shares in the market over such a period of time as may be reasonable, also the books of said corporations and the returns made to the Auditor of Public Accounts, or such other information as the Board may have or may be able to obtain) and the amount of the indebtedness (except indebtedness for current expenses, excluding from such expenses the amount paid for the purchase or improvement of property) shall be combined or added together."

"Said State Board of Equalization shall then equalize said amount so obtained, so that said companies or associations shall be assessed as near as practicable upon the uniform basis with other property throughout the State."

"Second. From the aggregate amount so determined and equalized as aforesaid, there shall be deducted the aggregate equalized valuation of all tangible property of such corporation or association, respectively, and one-third of the remainder, if any, shall be taken and held to be the assessed value of the capital stock of such corporation or association, including the franchise, over and above the tangible property thereof."

Constitutional Defects:

In addition to the objection that our statute is economically unsound it is objectionable for the further reason that it is unconstitutional. Minnesota had a statute similar to ours and in 1899 the supreme court of Minnesota in the case of the State vs. The Duluth Gas & Water Company, 76. Minn., 96, declared the statute to be unconstitutional, in so far as it authorized corporate indebtedness to be subtracted from stock value. On this point Justice Mitchell in a very able opinion used this language: "But in the latter section the legislature has gone a step further, and provided for the deduction from the value of the capital stock not merely of the value of the tangible corporate property otherwise specially taxed, but also the total amount of all indebtedness of the association, except indebtedness for current expenses. Such a provision is in direct conflict with the constitutional requirement that all taxes shall be as nearly equal as may be, and that all property on which taxes are to be levied shall have a cash valuation, and be equalized and uniform throughout the state. The indebtedness presumably affects the value of the stock as di-

rectly as do the assets of the corporation. The former depreciates, while the latter appreciates, its value. The practical effect of this provision is to allow a double deduction of the amount of the corporate indebtedness. It would necessarily result in inequality of taxation, not only as between the associations themselves falling within the provisions of section 1530 (owing to differences in their financial condition,) but also as between all such associations and persons or associations taxed under the general provisions of the tax law, who are not permitted to deduct their indebtedness from the value of franchises owned by them." The language applies as well under the North Dakota constitution as under that of Minnesota.

Additional Defects:

The law is further defective in that it applies to "unincorporated companies" and "associations" as well as to corporations. The only difference between an unincorporated company or association which has stock and to which therefore this law is made applicable, and any ordinary partnership is that the interest of the stockholder in any unincorporated company is more readily transferable than is the interest of a partner. No distinction should be made between the assessment of the good will of a partnership and the assessment of the good will of an unincorporated company. It is manifestly impracticable to assess the good will of an unincorporated company, the ownership of which is evidenced by shares of stock. This difficulty, however, might be somewhat lessened as to unincorporated companies for whose stock there is a readily ascertainable market value. We know of none such in North Dakota. If the good will of a company or association is to be assessed, why exempt the good will of the individual? Yet we do not assess the professional man or the business man on the value of his professional or business good will.

If this statute is to be of any value it must be made to apply to corporations alone, and only to such corporations as by reason of the corporate franchises under which they operate are able to capitalize their constant and prospective earning capacity. This manifestly does not apply to the ordinary business organization whose only franchise is a right to be or exist as a legal entity and which is subject to all of the vicissitudes which characterize the transaction of business in a competitive field. Under present conditions in this state it would apply peculiarly to public utility corporations alone.

A further defect of Section 1503 is that the rule therein laid down is expressly made in applicable to banking corporations. Experience shows that banking corporations are quite as likely to

have a corporate excess as are ordinary corporations. In fact, we believe that banks afford in peculiar degree an illustration of corporate excess. There are a number of factors which enter in making up the value of a certificate of bank stock. Among these factors are business advantages of being closely associated with financial interest in control of a particular bank and the reputation a bank has earned during a period of years, and other considerations often lead the purchaser to pay a sum in excess of that which a cold consideration of the assets of the bank alone would justify him in paying. We do not contend that the law should be made to embrace banks, but recite this merely as an illustration of the defects of the law.

Conclusions:

With reference to the statute hereinbefore discussed our conclusions are as follows:

1. That the law is defective in the method prescribed for measuring corporate excess—in fact, it is economically unsound.

2. That it is legally unconstitutional. If the statute is to remain upon the statute books at all it should be amended by providing that the fourth and fifth items should be added together, and from the sum of the fourth and fifth items the sixth and seventh items should be deducted.

3. If the statute were repealed entirely no damage would result. In that the whole situation would be cleared up from a legal standpoint and we would continue to assess, as we do now, the real and personal property of ordinary corporations. Provision is elsewhere made for the assessment of the franchises of public utility corporations, the methods employed, except insofar as qualified by the law under discussion, resting within the discretion of the officers whose duty it is to assess. We believe the wisest solution of the whole matter would be to repeal the law.

2. BANKS.

The whole subject of the assessment of banks is discussed in a separate chapter of this report and requires no further discussion here.

3. ASSESSMENT OF RAILROADS, ETC.

The Law in North Dakota:

The law in North Dakota provides that the state board of equalization shall assess at its actual value the franchise and all property within the state, of all express companies, freight line

companies, car equipment companies, sleeping car companies, dining car companies, telegraph or telephone companies, and the franchise, roadway, roadbed, rails and rolling stock of all railroads operated in this state; that it shall be the duty of the tax commission, and it shall have power and authority to assess at their actual value all light, heat and power companies doing business in the state.

The state constitution provides that instead of assessing property as above, the legislature may pass a law providing for a gross earnings tax on all railroads. No authority is given to assess any other kind of public service corporations in this manner. All public service corporations of this class should be assessed by the same method. All should be assessed either on the ad valorem basis or on the basis of gross earnings. But under the unfortunate wording of our constitution, none of the above public service corporations can be assessed on the gross earnings basis except railroads. This leaves us the only other alternative, to assess all on an ad valorem basis.

Distribution of the Tax on Railroads, etc.:

The constitution provides that, "All property, except as hereinafter in this section provided, shall be assessed in the county, city, township, town, village or district in which it is situated, in the manner prescribed by law. The franchise, roadbed, roadway, rails and rolling stock of all railroads operated in the state shall be assessed by the state board of equalization at their actual value and such assessed valuation shall be apportioned to the counties, cities, towns, townships and districts in which said roads are located, as a basis of taxation of such property in proportion to the number of miles of railway laid in such counties, cities, towns, townships and districts."

It seems to us that this method of distribution is indefensible from every standpoint. The property of a railroad company consists of long strips of land, used for right-of-way, stations, grounds and terminals. On this land it constructs its roadbeds, cuttings, viaducts, bridges, embankments and tunnels; depots, elevators, machine shops, round houses, coaling stations, etc. To this property must be added the various kinds of rolling stock and equipment. We find here, then, a vast system, extending over states within which are scores of taxing units upon and across which it extends. Adjacent taxing units, also, are benefitted by the system and from this it derives revenues although not actually within such units. The extent of territory covered in any given taxing unit and the expenditure involved in any such unit has little or no relation to the amount of service rendered within the area; neither does it have any relation to the amount of revenue derived from it. Nobody will con-

tend that the township assessor should assess a railway corporation on the basis of a very expensive bridge, tunnel, or embankment, which might happen to be within his township, while an adjacent township through which the railway did not pass could not share in such taxation, although, perhaps, contributing a much greater amount of traffic and earnings out of which taxes must be paid. Or, perhaps, in an adjoining township through which such line of railway passes we find level country with no streams to cross. In the assessment of ordinary property, the controlling feature is the market value of the property taxed. Using the above illustration, it would be manifestly unfair to allow one township in which such heavy expenditures were made to collect, say ten times as much tax on the corporation as the township adjoining through which it passed and to allow nothing to the one through which the line did not pass, although it might be the heaviest contributor to the revenues of such railway. Without the continuous line of railway throughout the state, the values in the taxing unit in which the extraordinary expenditures were made would be greatly lessened if not absolutely destroyed; so, too, without the patronage of the country adjacent, values in the entire system would lessen.

But the law of North Dakota specifically states that the valuation per mile shall be fixed by the state board of equalization and apportioned to each county according to the number of miles of such line contained in such county, and then the county auditor of such county shall apportion such valuation to the cities, towns, villages, townships, and districts through which such lines run, according to the number of miles contained in each as a part of the valuation of such city, town, village, township and district, for the purpose of taxation, and the same shall be taxed as personal property is taxed. But this is not fair to the township or district lying adjacent to one through which a valuable public service corporation passes and which, perhaps, contributes a much greater amount of traffic and hence earnings. This is one defect in our taxing system which should be remedied. But the defect is constitutional.

Gross Earnings Plan, No Recommendation:

However undesirable the existing method may be it will remain with us for some time to come unless the legislature sees fit to adopt the gross earnings method of assessing railroads. In which event, Section 179 of the constitution above quoted, would not apply, but the tax commission is not prepared at this time to endorse the gross earnings tax, even as a means of escaping the undesirable consequences of a distribution of the railroad assessment upon the mileage basis to the various municipalities or taxing units through which it runs.

The commission is of the opinion that immediate improvements in the matter of the assessment of railroads in North Dakota must come through careful administration and the application of more scientific methods in arriving at values and it has at this time no recommendations to make regarding changes in methods of assessment although it much regrets that the constitution is in such shape as to prevent a distribution of the railroad taxes upon a more fair and scientific basis. In view of our unfortunate method of distribution of railroad tax, we believe that the gross earnings tax system as applied to railroads is worthy of careful investigation and study with reference to conditions in North Dakota.

In addition to placing upon them the duty of assessing railroads, the law makes it the duty of the state board of equalization to assess express companies, freight line companies, sleeping car companies, dining car companies, telegraph and telephone companies and car equipment companies. The law provides that the board shall assess them on the actual value of their property and franchises. Except for the possible limitation contained in Section 1503 in the Code of 1905, hereinbefore discussed and criticised, the state board is free to adopt whatever methods it sees fit in arriving at the value of the franchises of these corporations.

In practice, the state board has, in making the assessment, been compelled to rely largely upon information furnished by representatives of the corporations assessed. Sleeping car companies have not been separately assessed in this state, for the reason that the principal lines of railroad either own and operate their own sleeping cars or have what is practically a partnership arrangement with the Pullman Company in the operation of sleeping cars. Here, as elsewhere, information upon which to base the assessment is what is needed above all things.

4. ASSESSMENT OF LIGHT, HEAT AND POWER COMPANIES.

Light, Heat and Power Companies have in the past been assessed by the local assessors, and the assessments made have proved in a number of instances unsatisfactory. It is believed that much is to be gained by adopting a uniform method in the assessment of these companies. The laws of 1911 place the duty of assessing these corporations upon the tax commission.

5. TAXATION OF FOREIGN INSURANCE COMPANIES.

Section 4475 of the Revised Code of 1905 provides that, "Every Insurance Company doing business in this state, except

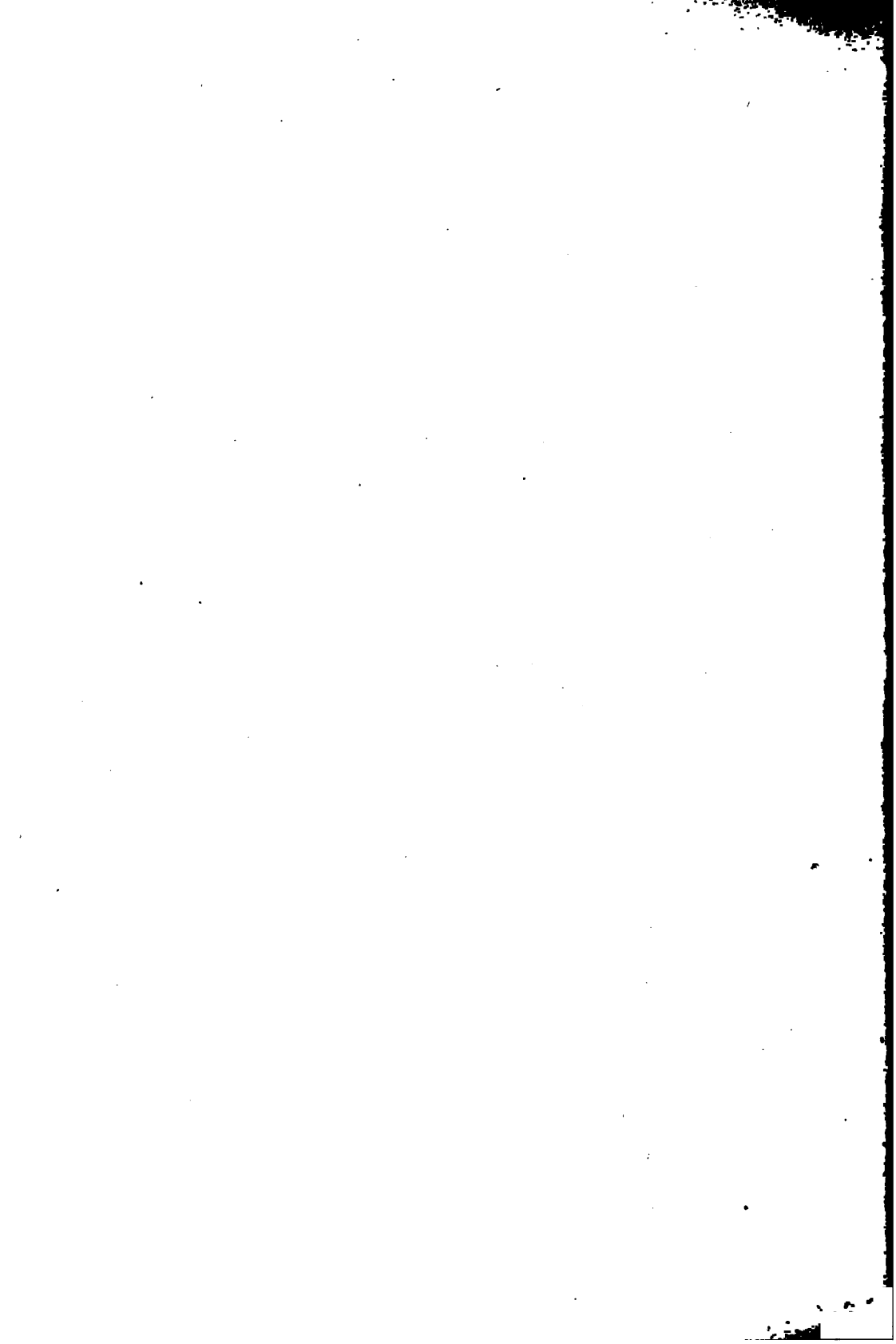
joint stock and mutual companies organized under the laws of this state, shall at the time of making the annual statement of business done, as required by law, pay to the Commissioner of Insurance $2\frac{1}{2}$ per cent of the gross amount of premiums received in this state during the preceding year." Under this law the insurance department collected \$105,106.54 for 1911. In addition to this tax upon the gross premiums of foreign companies doing business in North Dakota the following fees and licenses are collected from both foreign and domestic companies doing business in the state:

Filing Articles of Incorporation.....	\$ 25.00
Filing Annual Statements	10.00
Certificate of Authority and Certified Copy thereof.....	2.00
For every copy of any paper filed in the Insurance Department, per folio.....	.20
For affixing the official seal and certifying.....	1.00
For each Abstract for Publication	2.00
Service Fees	2.00

On fraternal companies a charge of \$15.00 for filing the annual statement is made in lieu of all other assessment.

Where other states or foreign countries require fees in excess of those charged in this state, companies chartered by that state or foreign country, doing business in this state, are subject to the same fees charged in the state where they were chartered.

The method of taxing insurance companies upon the gross domestic premiums is one that is generally favored; consequently it prevails in forty-one states. The convenience with which it may be applied makes it a very popular method.



CHAPTER VIII.

ASSESSMENT AT FULL VALUE OR PERCENTAGE OF FULL VALUE.

It is a matter of universal knowledge in this state that the law provides for the assessment of all property at full value. It is equally well known that in practice the law has been neglected from the beginning and that all assessments have been made upon a percentage basis. In fact, so general has been the custom of violating the law in this respect that the occasional assessor who abides by his oath and attempts to make the assessment at full value is promptly converted to the existing methods or is routed from the field. There is no fixed percentage basis, the percentage varying in different localities, with different assessors in the same locality and for various classes of property. While we believe it would be best to require that the assessment be made at full value according to law, yet we do not regard this as absolutely essential to procure a just and equitable assessment, since it is quite as easy to assess at any easy percentage, say fifty per cent of the full value, as it is at full value. This then, is the situation. The law requires assessment at full value; established practice causes assessments to be made at varying percentages of full value; the whole matter being of no vital importance from an administrative point of view—the essential thing being the necessity of having the law and the practice conform.

IS IT POSSIBLE TO PROVIDE FOR ASSESSMENT ON A PERCENTAGE BASIS UNDER THE NORTH DAKOTA CONSTITUTION?

Section 176 of the constitution provides that "laws shall be passed taxing by uniform rule all property according to its true value in money." This provision is clearly intended to establish a rule of taxation whereby every taxable species of property should share the burden of taxation with every other taxable species of property according to their respective money values. This rule of uniformity is complied with so long as the tax rate applied to each is the same and so long as the rate is figured on the same ratio of value. Thus, if two articles of property worth five hundred and one thousand dollars, respectively, were assessed at two hundred fifty and five hundred dollars, respectively, and the same rate of taxation were levied on the two, they would

be assessed "by uniform rule * * * * according to 'their' true value in money." It would seem to be possible then for the legislature to fix any basis, which, in its discretion, would seem wise, so long as all property would be assessed by uniform rule, according to its value, and, that it is not essential that the assessment should be at full value. If the law and the practice then are to be made to conform, it is well to consider whether the law should be changed so as to provide for assessment on a percentage basis, thus recognizing, in a measure, the existing practice; or whether it would be well to attempt to raise the assessment to full value as now provided by law.

PRACTICAL ADVANTAGE OF PROVIDING FOR ASSESSMENT ON A PERCENTAGE BASIS.

As before stated, it has long been the practice in this state to assess on a percentage basis, consequently the aggregate assessed valuation of taxing districts, of counties and of the state represents but a fraction of the full value of the property situated therein. Debt limits, maximum levies, salaries of officers and educational and special taxes have been provided for on the basis of the partial valuation.

Every improvement in the administration of our revenue system brings us back to the necessity of having the assessment upon a higher basis than it is now. This would disturb in a measure, the legislative balance already provided between valuation and debt limits, maximum levies, salaries, etc. It is highly important that this disturbance should be as slight as possible and the tax commission hereinafter suggests a method which they believe will preserve the existing status as nearly as may be pending the readjustment upon a higher level of valuation.

As a matter of administration, however, it is important whether the valuation fixed as an assessment basis be the full value or a percentage thereof. If assessments continue to be made by township assessors as now the fixed habits of the assessors, together with the difficulty of obtaining concerted action on their part, would be a serious obstacle in the way of raising the assessment to the full value basis. On the other hand if the legislature should prescribe the basis at fifty per cent it would not be a difficult matter to procure an assessment upon that basis. If, however, the recommendations of the tax commission relative to the establishment of the county assessor plan are adopted it will make little or no difference from an administrative standpoint whether the assessment is made upon the basis of fifty per cent of full value or at full value. We believe that the centralization of authority over county assessments, under the county asses-

sor plan, will make it possible to carry out effectively any general policy in regard to the assessment basis and if the county assessor plan is adopted by the legislature, we believe that it would be preferable to leave the basis at the full valuation point as it is now. In any event there is certain to be a rise in the aggregate valuation and measures should be adopted that will insure against the probable evil consequences.

EFFECT OF PROBABLE INCREASE ON SALARIES OF COUNTY OFFICERS.

The following table shows the salaries of the county officers under the assessed valuation for 1912, an additional column is given showing the population under the census of 1910.

Sargent	5,084,358	9,202	1,500	1,300	1,400	1,900	1,700	1,900	1,700
Sheridan	3,078,509	8,103	1,200	1,000	1,000	1,600	1,600	1,600	1,600
Stark	5,466,025	12,504	1,500	1,300	1,400	1,900	1,700	1,900	1,700
Steele	4,501,087	7,616	1,200	1,000	1,400	1,800	1,600	1,800	1,600
Stuttsman	11,507,650	18,189	2,000	2,000	1,500	2,500	2,000	2,500	2,000
Towner	5,298,771	8,963	1,500	1,300	1,400	1,900	1,700	1,900	1,700
Trall	6,777,076	12,545	1,500	1,400	1,400	2,000	1,700	2,000	1,700
Walsh	8,884,279	19,491	2,000	1,600	1,800	2,200	1,800	2,200	1,800
Ward	10,605,495	25,368	2,000	2,000	1,800	2,400	2,000	2,400	2,000
Wells	5,931,473	11,814	1,500	1,300	1,400	1,900	1,700	1,900	1,700
Williams	6,676,539	14,131	1,500	1,400	1,400	2,000	1,700	2,000	1,700
Standing Rock Reservation	207,798								

*In addition to the salary herein indicated, county judges in counties having increased jurisdiction receive \$100 for each 1,000 inhabitants or fraction thereof up to the maximum of \$2,500.

It is believed that it would be better to adjust the salaries of county officers on the basis of population and assessed acreage than upon the present basis of assessed valuation. The reason for this is obvious. Marked increase in the assessed valuation of property has characterized the administration of revenue systems in other states, where the administration has been placed under the direction of a tax commission and there is every reason to believe that a similar consequence will result in North Dakota. The salaries of our county officers have been adjusted by the legislature upon the supposition that the existing system of low valuation would probably continue, but if improvement is to be made in the matter of the assessment of property the time has come when this must be changed. The tax commission will submit to the legislature a bill fixing the scale of salaries for county officers upon the bases of population and assessed acreage, which will be drawn in such a way as not to disturb the present scale of salaries.

EFFECT OF PROBABLE INCREASE IN ASSESSED VALUATION ON MAXIMUM LEVIES.

The maximum tax levies have been fixed in the various statutes upon the supposition that the low valuations now customary would continue and is obvious that any sharp increase in the assessed value of property in any taxing districts the county or the state would make it possible to raise the amount of revenue greatly in excess of that fixed under existing maximum levies. Provision should be made which would continue approximately, the present limits upon tax levies until we arrive at the point in the assessment of property throughout the state where it will be possible to foresee, with a reasonable degree of certainty, the assessed valuation and the reasonable revenue needs of the various units of government. In Kansas this condition was provided for by a general statute which provided for the continuation of existing maximum revenue provisions on the basis of the last assessment pending the rise in the assessed valuation incident to the methods adopted by the tax commission. A law similar to that of Kansas will be submitted to the legislature with a recommendation that the same be adopted.

EFFECT OF PROBABLE INCREASE ON THE COUNTY TUITION FUND.

Section 855 of the code of 1905 provides for the levying of a two mill tax on the assessed valuation for the support of the common schools. The funds derived from this tax with the appor-

tionment of the state tuition have proved to be sufficient for the needs of fifty or more school districts in the state, as there are that number of school districts which levy no additional tax for the support of the schools. There are more than one-fifth of the school districts in the state that have a local levy of less than five mills and there are only about forty school districts in the entire state levying the maximum amount, thirty mills, for school purposes. It would thus seem that provision should be made which would retain the present scale of revenues for common school purposes. This should be done in such a way as to leave the local districts ample discretion in the matter of tax levy and at the same time the present maximum should not be exceeded. In the law that will be submitted by the tax commission provision will be made to care for this situation.

EFFECT OF PROBABLE INCREASE ON SPECIAL TAXES.

Laws have been passed, either providing for or authorizing levies to be made for special purposes, such, for instance, as wolf bounty, county fair, etc. In so far as these laws provide arbitrarily for a specific rate, safeguard should be provided against increasing the funds raised thereby beyond the reasonable anticipations of the legislature and in so far as levies have been authorized for special purposes care should be exercised to guard against the raising of funds in excess of the rise contemplated by the legislature.

In the law which will be submitted by the tax commission safeguards will be provided to care for the contingencies mentioned.

THE ONE MILL MAINTENANCE TAX FOR STATE EDUCATIONAL INSTITUTIONS.

There is in North Dakota a fixed policy regarding the maintenance of the state educational institutions. To guard against the uncertainties of exclusive dependence upon the biennial appropriations for the maintenance of these educational institutions the legislature in 1901 provided for an annual tax of one mill on the assessed valuation of all taxable property. The proceeds of this tax are shared by the various institutions in accordance with the plan of distribution provided for in the legislative session of 1907. In adopting this policy it was probably not the intention of the legislature that the funds provided by means of this tax should be at all times sufficient for the maintenance of the various institutions therein enumerated and the legislature has not in the past acted upon this supposition. In the legislative session of 1911 appropriations were made for the institutions obtaining the benefit of the mill tax law as follows:

**APPROPRIATIONS MADE BY THE TWELFTH LEGIS-
LATIVE ASSEMBLY TO INSTITUTIONS
SHARING THE ONE MILL TAX.**

State University—

Purpose of Appropriations	Amt. of Appr.
Commons Building	\$ 27,600.00
Commons Building Furnishing	5,000.00
Engineering College Equipment	17,000.00
Maintenance (annually) \$25,000	50,000.00
Teacher's College Reimbursement	24,000.00
Library	5,000.00
Campus and Grounds	2,500.00
Extension Course	3,500.00
Equipment Biological Dep't.	5,000.00
Furnishing Teacher's College	5,000.00
Equipment School of Mines	1,100.00
Equipment Chemistry Dep't.	2,500.00
Summer Session	3,000.00
Public Health Laboratory	20,000.00

Agricultural College—

Maintenance	50,000.00
Chemistry Building	65,000.00
Dormitory	40,000.00
Land	15,000.00

Mayville Normal—

Hospital	10,000.00
Reimbursement of Maintenance Fund	9,399.31
Cellar and Fuel Bin	3,000.00
Ventilating system	4,000.00
Library	1,000.00
Manual Training	1,000.00
Lecture Course	500.00
Additional Boiler	3,000.00

Valley City Normal—

Building	25,000.00
Repairs	3,000.00
Furniture, etc.,	3,000.00
Library	1,000.00
Maintenance	45,000.00
Furniture for Dormitory	7,100.00
Boilers	8,000.00

**APPROPRIATIONS MADE BY THE TWELFTH
LEGISLATIVE ASSEMBLY TO INSTITUTIONS SHARING
THE ONE MILL TAX—Continued.**

School for Deaf and Dumb, (Devils Lake)—

Purpose of Appropriations	Amt. of Appr.
Building	20,000.00

School of Forestry, (Bottineau)—

Experimental Work	12,000.00
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Academy of Science, (Wahpeton)—

Walks	1,800.00
Grading, etc.,	1,000.00
Deficit	4,950.00
Repairs	3,500.00
Building	20,000.00

Industrial School, (Ellendale)—

Maintenance	20,000.00
Int. on Carnegie Warrants	3,500.00
Manual Training Equipment	12,000.00

An examination of these appropriations shows that a considerable portion of the appropriations are for maintenance purposes.

The following tables will show amounts paid to the various institutions by the state treasurer during the past two years:

ONE MILL TAX PAYMENTS TO INSTITUTIONS.

INSTITUTION	Year Ending Oct. 30, 1911	Year Ending Oct. 31, 1912
State University	\$ 81,184.93	\$ 92,341.54
Agricultural College	49,190.95	55,952.68
Mayville Normal	31,971.22	36,366.47
Valley City Normal	36,884.64	41,956.10
School for Deaf	13,940.41	24,831.62
School of Forestry	4,921.89	5,598.13
School of Science	9,826.83	11,179.34
Industrial School	17,196.91	19,563.86

It will thus be seen that the one mill tax does not provide sufficient funds to properly maintain the institutions that are

beneficiaries thereof, and that it has been necessary for the legislature to provide, by appropriation, additional maintenance funds.

The tax commission has no recommendation to make regarding the matter of the one mill tax. It is content to present the condition, as set forth above, and is ready to give the legislature whatever assistance it will be possible to render in the matter of estimating the total assessed valuation of property upon whatever basis of assessment the legislature may determine.

CHAPTER IX.

THE COUNTY ASSESSOR SYSTEM.

The trend of the age in all the administrative departments of government is toward the centralization of authority in the hands of a few officials who can be held directly responsible either to the executive or the people themselves. The multiplicity of officials, each clothed with little authority, tend to confusion in any administrative undertaking, whether public or private. Nowhere is this more clearly recognized than by taxing experts. It is the general belief among students of taxation, that there should be in each taxing district of the first and second order, an official or board, who is clothed with ample authority to administer the laws governing taxation in a just, businesslike and equitable manner, and who is directly responsible to either a superior official, the executive or the people. This belief has resulted in what is known as the central system of taxation, which, in most states, has resulted in the tax laws being administered by a state tax commission or commissioner and the county assessor. The former is responsible to the governor of the state and the latter to the tax commission.

NUMBER OF ASSESSORS IN NORTH DAKOTA.

In all the range of the American system of government there is nothing more ludicrous than our attempts at listing taxable property. In North Dakota this year we elected 1445 assessors and empowered them to list and appraise property in their respective taxing districts, placing above them no central authority. What would be thought of a business concern employing this number of men in responsible positions, in as many different localities, which left the administration of all this vast business to them without central management? Confusion would reign and the business would be foredoomed to failure. Yet we have gone on in North Dakota for twenty-five years electing a large number of assessors, instructing them to list and appraise the taxable property under the constitution and the statutes, and have placed over them no central authority having the power to guide or direct them. The assessors of each county meet at the county seat on the second Saturday in April of each year, receive their books, and after some mutual discussion of their duties, depart

to their various taxing districts and begin the listing and appraising of taxable property, with as many standards of ratio and as many theories of value as there are assessors. The result is an assessment which is anything but uniform and which results in a tax burden, unjust and inequitable.

PROPERTY LISTED AT UNIFORM VALUE.

Unless all taxable property is listed and assessed at its true value or at a uniform ratio of its true value, it is utterly impossible for any board of review or equalization to remedy the defect. When property is not listed it increases the burden of the property already listed, and any raise by a board of equalization simply tends to throw the increased burden upon the citizen already punished by having property which he cannot conceal or which he is too honest not to list. While the board of review has the power to equalize between individuals, in all instances it has not the knowledge, and the failure of the assessor to perform his duty cannot be remedied by any device as yet discovered by legislators or administrators. The same is true as between taxing districts. If assessors in different taxing districts do not use the same ratio of value, or the same method of arriving at value, it is difficult for the county board of equalization to always remedy such defects, and the same danger is repeated when the state board of equalization attempts to equalize between counties. There is but one way to secure a just and equitable distribution of the burden of taxation, and that is by securing a uniform, just and equitable assessment.

RATIOS USED BY N. D. ASSESSORS.

The ineffectiveness of the present method of appraisement was shown by replies received to inquiries sent out shortly after the organization of this commission. The ratios of appraisement to the true value of taxable property as shown by the replies were most astounding, ranging from nothing to 75 per cent. One assessor in Williams County labored under the hallucination that he was returning property for taxation at 75 per cent of its true value.

The favorite ratio was 40 per cent. The range was as follows:

All domestic animals, 20, 25, 33- $\frac{1}{3}$, 40 and 50 %.
Household furniture, 20, 25, 30, 33- $\frac{1}{3}$, 40, 50 and 60%.
Farm implements, 20, 25, 30, 33- $\frac{1}{3}$, 40, 50 and 60%.
Moneys and credits, Nothing, 35 and 40%.

Merchandise, 25, 33- $\frac{1}{3}$, 35 and 40%.

Town lots, 15, 20, 25, 30, 33- $\frac{1}{3}$, 35, 40, 50 and 75%.

Farm lands, 15, 20, 25, 30, 33- $\frac{1}{3}$, 35, 40, 50 and 75%.

Structures, 20, 25, 33- $\frac{1}{3}$, 35, 40, 50 and 60%.

While there can be no question that many of the assessors endeavored to make a true statement of the ratios actually used by them, it is too evident that many of them simply put down grossly exaggerated percentages with the hope that in some manner it might help to reduce the tax in their respective assessing districts.

The wide divergence among different assessors was not the only astounding fact brought out by these inquiries. Almost as great a difference in ratios was revealed among the different items returned by the same assessor. For instance, one rural assessor reported that he appraised domestic animals at 30 per cent; household furniture at 10 per cent; farm implements at 40 per cent; farm lands at 35 per cent, and structures at 50 per cent. No two items were assessed at the same ratio to actual value. Another assessor listed all of his items at 25 per cent except farm lands, which he put at 45 per cent, and structures at 35 per cent. Another says that he returned household furniture at one-fifth; moneys and credits and merchandise at one-fourth; town lots at one-third, and improvements at one-tenth of their true value. Yet another put in domestic animals at 40 per cent, household furniture and farm implements at 20 per cent and farm lands at 30 per cent. We find one saying that he was instructed by the township officials and the ex-assessor that domestic animals should be assessed at 35 per cent, household furniture at 30 per cent, farm implements at 25 per cent and farm lands and structures at 20 per cent. One who gave domestic animals, farm implements and structures at 33- $\frac{1}{3}$ per cent, said that, "it is hard to give the true value of household furniture," and put in farm lands at "from two to three dollars per acre." Another assessor found it necessary to return farm implements and farm lands at 25 per cent and structures and improvements at 50 per cent. Three assessors, whose assessing districts lie within a few miles of each other, made the following answers: Assessor No. 1:—Domestic animals, household furniture and farm implements at 50 per cent; town lots and farm lands at 75 per cent. Assessor No. 2:—Domestic animals, household furniture and farm implements at 50 per cent; town lots and farm lands at 15 per cent, and structures and improvements at 25 per cent. Assessor No. 3:—Appraised everything at 40 per cent except farm lands, which he returned at 20 per cent, and structures and improvements at 50 per cent.

COUNTY ASSESSORS NEEDED.

While this commission is clothed with authority to administer the tax laws of the state, any business man or employer of labor will understand that it is impossible to work with fifteen hundred untrained and, in many instances, unqualified assessors, scattered over a great state, and secure a uniform assessment. The centralization of authority must be continued downward and some central authority created in the secondary taxing unit, the county. In most of the states where the county assessor system is in vogue, there is elected or appointed for a term of years an official known as the county assessor who devotes his entire time to administering the tax laws in the county. In most of the states the appraisement is made by him and his assistants, who are appointed by him or by the board of county commissioners. These assistants usually work for a term of weeks while the appraisement is being made and are paid by the day. In the smaller counties, where the county assessors' salary would be a burden, one of the regular county officers is ex-officio supervisor of assessment and receives extra compensation. The salary is usually either proportional to the population or assessment. However, this commission is of the opinion that the former is the better method of the two. The assessed ratio to the true value of property in this state is not uniform and is constantly shifting. If the wealth of each county could be correctly ascertained, year after year, assessments would be the proper base, but as it does not bear the same ratio to actual wealth in any two counties in the state and is anything but uniform for a series of years, population forms a much more stable base. Moreover, when the assessment is made at its true value in money, according to law, a salary based on present assessments would be multiplied many times.

CONFERENCE OF ASSESSORS.

Once each year the county assessors are assembled in conference on the call of the state tax commission and a two or three day's session held. They are instructed in their duties and are at liberty to inquire of the commissioners any information which they may desire. They then return to their taxing districts, call together their assistants and proceed to carry out the instructions of the central authority.

REMOVAL OF COUNTY ASSESSORS.

In practically all of the states the county assessor can be removed by either the board of county commissioners or the tax commission; provided, usually, that when a removal is made by the board of county commissioners, their act is made review-

able by the tax commission. While in many of the states the county assessor is elected, the general belief among tax experts is that better results have been obtained in the states where the county assessor is appointed by the board of county commissioners, with the advice and consent of the Tax Commission. The county assessor should have the authority to not only select his assistants, with the advice and consent of the county board, but he should be able to remove them with the advice and consent of the same body, subject, however, to review by the Tax Commission.

OBJECTIONS TO COUNTY ASSESSORS.

There are, however, objections to the county assessor system. One is that it entrenches upon local self government. That is, the establishment of the county assessor is looked upon as taking away a measure of the self government of the township. It must be remembered, however, that in North Dakota the county is essentially the unit of government—the records are kept, the taxes collected and disbursed, the poor cared for, the schools supervised, wills probated, court held, and many other functions of local self government performed through the agency of the county. The modern facilities of transportation, the automobile, good roads, the extension of the rural free delivery, tend to make the basis of community action much larger and more far reaching than formerly. The tendencies away from the restricted unit of government and the multiplicity of officials toward a broader unit and fewer responsible officials, reinforce the contention for the county assessor system. After all, the essential thing to keep in mind is efficiency—the uniformity of appraisalment and the equality of taxation.

Another objection is that it would be more expensive. At first this would seem to be a reasonable objection. However, when it is considered that one assessor and three or four assistants would take the place of from twenty-five to seventy-five township assessors, and that they would relieve the county officials of a portion of the work pertaining to taxation, thereby saving clerk hire, it is hard to see how this system would be much more expensive than the present.

To secure information as to the cost of the two systems, this commission sent an inquiry to a number of states in which both systems have been tried. All of the states responded, and all of the taxing authorities were of the opinion that the County Assessor System was not only much more effective and secured a much more complete and uniform listing of property, but that it was more economical.

COST OF SYSTEM IN OTHER STATES.

The Kansas Tax Commission said: "In this state, it is the experience that the county assessor in most counties has benefited the tax payers of the several counties much more than is the amount of the compensation. In this state the county assessor has the right to place omitted property upon the tax roll, and in several cases hundreds of thousands of dollars have been so assessed. It goes without saying that in such cases the county assessor makes for the county in taxes several times his salary." As Kansas retains the township assessors, the economy of the system is largely destroyed.

Mr. T. D. Rockwell, President of the Washington State Board of Tax Commissioners, wrote: "I have no hesitancy in saying that having the assessment under the supervision and control of one assessor is a far more desirable way to assess the property of each county than to have the responsibility divided among forty or fifty with no supervision."

COST IN WASHINGTON.

In the State of Washington, the county assessor system was generally in vogue until three years ago, when Spokane and Whatcom Counties adopted the township plan. We are indebted to the State Bureau of Inspection and Supervision of Public Offices for the following figures: In Spokane County for the last year, under the old system, the cost to the county was \$23,000; since that time it has cost for the year 1909, \$35,002.67; for 1910, \$39,094.90; for 1911, \$37,469.29. To this must be added the salary of the forty-nine deputies paid by the townships. The increase in round numbers of the new over the old system for the first year was 52% second year 70% and the third year 60%. The assessor's office in Whatcom County for the last year under the old system cost the county \$8,527.61; while under the new form it cost for the year 1910, \$9,811.85; for 1911, \$7,828.96. To this amount must also be added the salary of the deputies, which was paid by the townships. In this county the cost of the assessment was increased 15% the first year and the second year it was decreased 10%. Again, Spokane County has a population of 139,404 and had an assessed valuation last year of \$94,303,115, while Pierce County has a population of 120,812, and a valuation of \$84,519,849, about 9% difference in valuation and a little over 10% difference in population; while the cost of the Pierce County Office for the last three years was for 1900, \$15,762.88; 1910, \$19,348.65; 1911, \$15,106.41.

In 1909, in Pierce County, where the county assessor system prevailed, the cost of assessment was 148% less than in Spokane County under the township assessor system. In 1910 the dif-

ference in cost was 122% and in 1911, 102%. At the same time the population of Pierce County was but 10% less than that of Spokane County and the valuation 9% less. This is a most remarkable showing in favor of the county assessor system. In 1909 Spokane was the first county in the State of Washington to change from the county to the township assessor system; the following year, 1910, Whatcom County followed, and since the latter date no other county in the state has changed from the county to the township system. This would seem to indicate conclusively that in the judgment of the taxing and fiscal authorities of Washington the county assessor plan is the better. The judgment of the Washington Bureau of Inspection and Supervision of Public Offices is that, "As a matter of economy the old (county) system is much superior to the new."

EXPERIENCE OF NEBRASKA.

Nebraska has the county system, but retains the township or, as they are called in that state, the precinct assessors, which results in a cost of assessment somewhat in advance of the old township system without supervision. In this connection Mr. H. Seymour, Secretary of the Nebraska State Board of Equalization and Assessment, says: "On the other hand, the vast amount of taxable property which has been added to the tax rolls and which property entirely or partially escaped taxation before the county assessor system was put in operation, much more than pays, not only the expense of the county assessors, but all the expense of the assessment." The Nebraska law creating the county assessor went into effect in 1904 and resulted in an increase of the valuation of taxable property in that state from \$188,000,000 to \$1,474,000,000. This enormous increase did not represent entirely the new property placed upon the lists, but in some measure, at least, a fair appraisement of the property already on the list.

In discussing these objections to the county assessor system the Minnesota Tax Commission in 1908 said: "A new and logical division of the tax work would be created by the addition of this new officer to the list of county officials. The work could then be divided as follows: (1st) Preparation of assessors rolls in the assessor's office. (2nd) Spreading the tax on the rolls of the county auditor's office. (3d) Collection by the county treasurer."

The third objection has been made on the ground that the county assessor would be more easily controlled by special privilege than the township assessor. It seems to us that this objection is not well taken. The same objection could be made to the township assessor and in the number of those officials the danger would be multiplied. Moreover, the county assessor could be more easily checked up and held responsible by the board of county commis-

sioners, or the state tax commission, if irregularities should exist, than could from twenty-five to seventy-five township assessors. Our belief is that the danger of favoritism of special privilege would be largely removed by the county assessor system.

Mr. E. R. A. Seligman, one of the tax authorities of the country and professor of political economy and finance at Columbia University, and now president of the National Tax Association says:

"It is well known that in a democracy the difficulties of government are primarily administrative rather than constitutional. Our constitutional problems have been, in very large part, satisfactorily solved; our administrative problems have scarcely been attacked. The weakness of democratic administration is proverbial and this is especially true in the case of fiscal administration."

"Our tax officials are almost uniformly elective officials, and it is a notorious fact that elective officers are but slightly immune to the gusts and passions of popular approval or prejudice. Nothing comes closer to the modern citizen than the amount of sacrifice which he is called upon to make in the way of contributions to the public support, and nowhere is there to be found a greater pressure, whether of individuals or of classes, upon the government officials than in the case of assessments for taxation."

WHY SYSTEMS HAS FAILED.

In some of the states where the county assessor system has been tried and has not produced the results hoped for, the fault has been that there was either no central taxing authority to furnish the uniformity necessary to its successful operation, or the old elective township assessors system was still in vogue, and the county assessor was not furnished with the necessary authority or machinery to carry into effect his reforms.

TOWNSHIP BOARDS OF REVIEW.

Coupled with the local assessor is the township board of review, clothed with powers to equalize as between the individuals. The removal of the local assessor would necessarily change the relation of the township board of review to the assessor of the taxing district. It would be impossible for the county assessor to attend the meetings of the boards of review, but it would be entirely practical, we believe, for him to submit the tax lists of the township to each board before the date of meeting. The greater uniformity of assessment secured by the county assessor would minimize the work of the board. However, they could inspect the property lists and return them to the county assessor

with their recommendations, he in turn submitting the township lists, together with the recommendations of the boards of review, to the county board of equalization for their final action.

While it would be neither wise nor desirable to abolish the township board of review, yet its functions are seldom, if ever, exercised as contemplated by law, and that, as a general rule, its meetings are farces, will not be denied by anyone at all familiar with taxation machinery. Prof. J. E. Boyle, of the North Dakota University, in an address delivered before the International Tax Association at Columbus, Ohio, said: "Here (in the sessions of the township boards of equalization) it is a good thing to look at local civil government in active operation; to either attend the meetings of those boards or read the minutes of such meetings." Prof. Boyle carefully examined the minutes of twenty-eight township meetings of boards of review of one county in the state, and in all of these twenty-eight townships there was but one complaint—one farmer felt that his land was assessed too high. To redeem these meetings from utter sterility, much that was trivial was injected, as the following extract from the minutes of one board will show:

(1) "Moved by Dr. McVeon, seconded by Henry Halleck, that two sheep be taken off from O. H. Brenna Personal Property tax list, valued at \$2, on account of having died lately."

"Motion carried."

(2) "Moved and carried that one wagon be taken off from Gunder Jacobson's property list, valued at \$5, on account of not being worth anything."

(3) "Moved * * * that one two-year-old horse, valued at \$14, be taken off Henry Stroud's assessment list, on account of having died from poison."

Prof. Boyle has not overdrawn this picture. There can be no question but that an examination of the minutes of the sessions of hundreds of township boards of review reveal something like the following:

"The supervisors of.....township met as a board of review on date, but as nobody had any kick coming and everybody appeared to be satisfied with the assessment, the board adjourned." In one of the townships, the minutes of which Prof. Boyle examined, a piece of real estate was sold for \$16,000 but was assessed at only \$1,500. At the same time a much humbler citizen purchased a piece of real estate at \$75 and it was assessed at \$90; yet this township board of review, whose duty it is under the constitution and the statutes, to equalize between individuals, found no fault because "No-one had kicked." No great injustice will be worked to any citizen of this state by any infringement upon the powers of township boards of review by a county assessor.

RECOMMENDATIONS OF COMMISSION.

This commission is firmly of the opinion that without the county assessor its work will be greatly handicapped. To secure uniformity of appraisement and the listing of all taxable property within the state through fifteen hundred elective township officers is a physical impossibility. The very multiplicity of correspondence, the utter impracticability of conventions or conferences will be admitted by anyone familiar with administrative functions. If any considerable amount of taxable property of the state which is now escaping taxation is to be listed and the appraisement of all taxable property made to even approximate uniformity, the centralization of authority must be continued downward to the secondary taxing district by the adoption of the county assessor system. That this is true is indicated by an address delivered at the annual meeting of the Kansas County Assessors, by S. T. Howe, chairman of the Tax Commission, who called attention to the fact that the total valuation, under the old township assessor system in 1907, was \$425,281,215; that in 1908, under the first valuation under the new county assessor system, a total of \$2,451,560,397 was reached, an amount over 5.7 times the valuation of 1907. In 1909 the assessment was further increased to \$2,511,260,285, which amount was more than 5.9 times the valuation of 1907. The levy was not relatively decreased, owing to the fact of the increased needs of the various taxing districts. The rate in 1907 was 4.67 per cent; in 1908 and 1909 it was 1 per cent. "It is undeniable that the new method of assessment has brought about a readjustment of the burden of taxation among the tax payers," declared Mr. Howe.

The following is a brief digest of the laws of the various states which have adopted the county assessors system:

COUNTY ASSESSOR SYSTEM IN VARIOUS STATES.

Alabama—

Elected for four years. Paid by state and county—on state tax, not exceeding \$12,000, 8% on first \$1,000, 4% on second, 2% on remainder; exceeding \$12,000 same up to \$12,000, 1½% on up to \$60,000, 1% on remainder. Same on county tax. Fees in addition.

Arizona—

Appointed by board of supervisors for four years. Salary varies, according to class of counties, from \$1,000 to \$2,400; in 3d, 4th, 5th and 6th classes a commission of 5% on

personal property. In counties of the 5th and 6th classes county sheriff is ex-officio tax assessor. Where a total assessment exceeds \$3,000,000 deputies may be employed.

Arkansas—

Elected for two years; paid one half by state and one half by county; for each name listed 20c and for each property list to unknown owner \$1.00.

California—

Elected for four years; salary varies with classes of counties.

Colorado—

Elected for two years. Salary varies, according to class of county, from \$800 to \$4,600. Paid quarterly. Subject to removal by governor, upon complaint. Vacancy filled by county commissioners. Assessors meet annually at state capitol.

Florida—

Elected for two years. Paid by state and county—on state tax, 10% on first \$4,000, 5% next \$3,000, 1½% on balance. Same on county tax. County divided into tax districts; when it is deemed necessary assessors may employ an assessor for each district. May be removed by assessor. Compensation paid out of assessors' fees.

Georgia—

Elected for two years. Salary 3% on first \$1,000 and a decreasing per cent on each additional amount; on excess above \$3,600, ⅝ of 1%. Is also tax collector. Removable by governor.

Idaho—

Elected for two years. Salary fixed by board of county commissioners, between \$800 and \$3,000. Subject to removal by board of county commissioners. Vacancy in certain counties filled by same. Ex-officio collector.

Indiana—

Elected for four years. Salary varies with the population of counties, from \$600 to \$1,900. Paid quarterly. Annual state meeting for three days at call of state tax commission. May appoint deputies.

Illinois—

In certain counties appointed by county board of one year. Salary fixed by county board. Subject to removal by judge of court competent jurisdiction at his discretion. Vacancy filled by board. In all other counties, not under township organization, the county treasurer is ex-officio county assessor.

Kansas—

Appointed by board of county commissioners for two years. Salary, in counties of 25,000 or less, \$5.00 a day; 25,000-40,000, \$900 a year; above 40,000, \$1,200. Meet at least once a year with tax commission at latter's call. Township trustee deputy tax assessor.

Kentucky—

Elected for four years. Salary, in counties where assessment does not exceed \$1,000,000, $4\frac{1}{2}\text{c}$ on each \$100 listed; in others, 4c on each \$100 up to a million, and $1\frac{1}{4}\text{c}$ on balance, not to exceed \$4,000 a year.

Louisiana—

Elected for four years. Paid, in proportion to amount received, by state, parish, school board, etc.—4% on first \$50,-999, 2% on excess. For levee taxes, \$100. Total never to be less than \$400.

Maryland—

Appointed by county commissioners any number of assessors necessary to make assessment. Compensation fixed by county board.

Minnesota—

Elected for four years. Paid by state and county on state rolls, 5% on total, not to be less than \$500 for each roll or more than \$1,500 for the two. The board of supervisors may allow additional fees. Assessor is liable on his bond for failure to do his duty.

Mississippi—

County commissioners at discretion may appoint supervision of assessments. Compensation fixed by county board. Township assessors elected. Tax commission may appoint special assors.

Missouri—

Elected for four years. Paid half by state and half by county—25c per name for first 1,000, 20c second 1,000, 15c each

additional. Subject to removal by county court. Vacancy filled by same. Assessor appoints as many deputies as he deems necessary, to be paid out of his fees.

Montana—

Elected for two years; allowed not to exceed two deputies. Salary varies as to classes of counties, from \$1,000 to \$3,000 per year. Deputy assessor receives not to exceed \$1,200 per annum.

Nebraska—

Elected for four years. Salary varies according to population. Counties of 5,000 or less, \$250, up to those of 100,000 or more, \$2,400. Removable by state board of equalization and assessment. Vacancy filled by county board. Assessor not eligible for two terms. Office may be abolished by vote of people. Precinct or township assessor elected for term of two years. Failure to perform duty punishable by a fine from \$20 to \$100.

Nevada—

Elected for two years. Salary fixed by county commissioners. They may also authorize assessor to appoint one or more deputies at \$5.00 per day. Neglect of duty may be punished by fine not exceeding \$500.

New Mexico—

Elected for two years. Salary, 4% of money collected on assessment. Removal upon conviction by judge of district court. Vacancy filled by board of county commissioners. With the consent and approval of the board of county commissioners, deputies may be appointed by the county assessor.

Oregon—

Elected for four years: Salary fixed for counties by statute, ranging from \$1,000 to \$3,000. Neglect of duty punishable by removal from office.

South Dakota—

In certain counties, elected for two years. Salary \$4 per day. Population of 20,000 or more, not to exceed \$1,750. Paid by state.

Tennessee—

Elected for four years. Salary, population of 60,000 to 120,000, \$2,500; over 120,000, \$4,000; in other counties, fixed by county court within certain limits.

Texas—

Elected for two years. Salary, 5c for each \$100 of first \$2,000,000, 2 $\frac{1}{4}$ c for on up to \$5,000,000, and balance 1.7c. Five cents for each poll. State pays poll and half of other; county balance. Assessor may appoint deputies.

Utah—

Elected for two years. Salary fixed by board of county commissioners, not to exceed sum varying according to classes, from \$300 to \$1,800. Paid monthly. Assessor may appoint deputies.

Virginia—

Appointed by circuit courts for five years. Salary, \$2 per day. Removable by court of appointment.

Washington—

Elected for two years. Salary varies with class of county, from \$2,200 for 1st class, to \$1,200 for 8th class; below 8th class, \$5 per day. Assessor required to attend annual conference for instruction. Actual expenses paid.

West Virginia—

Elected for four years. Salary, \$30 per each 100 voters for first 3,000, \$25 per each 100 up to 3,000 more, etc.; not to exceed \$2,100 nor be under \$1,000. Assessor cannot serve two terms in succession.

Wisconsin—

Assessors of income, with supervisory powers over all assessment, are appointed by the tax commission for a term of three years. They are removable by the tax commission. By and with the consent of the tax commission, they may appoint deputies. Salaries fixed by the tax commission; but together with expenses, must not exceed 5c for every \$1,000 of the valuation of all property. Assessors of income meet annually with the tax commission.

Wyoming—

Elected for two years. Salary, varying by classes from \$800 to \$1,500.

CHAPTER X.

UNIFORM ACCOUNTING.

NECESSITY FOR UNIFORM ACCOUNTING.

In the field of government one of the most significant facts to be noted is the rapidly expanding functions of government—local, state and national. Functions, which, a few years ago, were either neglected or performed by private agencies have more and more been assumed as legitimate activities of the various units of municipal authority. This broadening of the activities of the collective units has only been made possible by increased budgets to provide for the expense of carrying on the service. With the increase in the expenditure of monies in the public service has come an increased demand for strict accountability. If the expenditures on behalf of the government twenty-five years ago were worthy of the interest and watchfull attention of citizens certainly the expenditures in the various branches of governmental activity today are matters to challenge not merely the interest of the citizens, but to command their serious attention.

A prerequisite to any intelligent consideration of the cost of government is a system of accounting that will enable the observer to determine, with a degree of accuracy, the actual cost of every item of service performed by a governing body. The need of more uniform methods of accounting has come to be recognized and has been met in several of the states by ample legislative provisions authorizing systems of accounting to be instituted which will make possible the determination of costs and the making of comparisons between municipalities performing like functions, both under similar and different circumstances. Not only has this need been provided for in some of the states, but the census bureau of the Federal Department of Commerce and Labor has undertaken in a limited way to compile statistics which will disclose costs of government based upon financial reports obtained from cities having a population of more than 30,000. In fact the need of uniform accounts, reports and examinations is now so well recognized that argument devoted to its advocacy seems unnecessary.

REQUISITES OF A GOOD ACCOUNTING SYSTEM.

To serve the purposes, which require to be served in our own state, a system should be devised which would provide for the following:

(1) Classification of all sources of income, which would be uniform as to every institution and branch of local government of the same class.

(2) Classification of all objects of expenditure, which should be uniform as to every institution and every branch of local government of the same class.

(3) The installation of a system under state authority after the same has been carefully worked out, regard being had to economy in the matter of printing supplies and the use of supplies already printed.

(4) Examinations made under the direction of state authority at the expense of the municipality or institution, as often as is necessary to insure fidelity in the public offices and a proper use of the methods prescribed.

(5) Reports for statistical purposes, the same to be given reasonable publicity.

It is not contended that North Dakota has a particularly vicious accounting system, but it is a fact known to all, who are at all familiar with methods of keeping accounts in institutions, counties and municipalities, that there is much room for improvement and that a uniform system is much to be preferred over a system that leaves each unit of government more or less free in the matter of accounting methods. When a uniform system could be provided at the same cost, or smaller cost, there is no justification for haphazard methods.

NORTH DAKOTA LAWS ON THE SUBJECT OF ACCOUNTING.

It will be seen from the following statutory provisions that the legislature has already attempted to make provision for uniform accounting.

STATE AUDITOR.

Rev. Code 1905, Section 107. (Transmit Forms and Instructions to Auditors.) He, (the state auditor) shall from time to time prepare and transmit to the county auditor of each county

such general forms and instructions in conformity with the laws in force, as, in his opinion, may be necessary to secure uniformity in levying, charging, collecting and accounting for the public revenue; and assessors and treasurers shall observe such forms and instructions. (R. C. 1899, 104.)

PUBLIC EXAMINER.

Rev. Code 1905. Section 142. (Duty to Supervise Accounts of Public Institutions.) It shall be the duty of the state examiner to assume and exercise constant supervision over the books and financial accounts of the several public, educational, charitable, and penal and reformatory institutions belonging to the state; to prescribe and enforce correct methods of keeping financial accounts of the state institutions by himself or duly appointed deputy, and instruct the proper officer thereof in the due performance of his duty concerning the same; to examine the books and accounts of all public institutions under the control of the state, and of all private institutions with which the state has any dealing, so far only as the same relates to such dealing, once in six months. (1893, ch. 95, 3; R. C. 1899, 138.)

Rev. Code 1905. Section 143. (Additional Duties.) It shall be his, (the public examiner's) duty to order and enforce a correct and, as far as practical, uniform system of bookkeeping by state and county treasurers and auditors so as to afford a suitable check upon their mutual actions and insure a thorough supervision and the safety of the state and county funds. He shall have full authority to expose false and erroneous systems of accounting, and when necessary instruct or cause to be instructed the state and county officers in the proper mode of keeping the accounts. It shall be the duty of the state examiner to ascertain the character and financial standing of all present and proposed bondsmen of state and county officers. He shall require county treasurers as often as he shall deem necessary to make verified statements of their accounts, and he shall personally, or by deputy, visit said offices without previous notice to such treasurers, at irregular periods, of at least once a year, or when requested by any board of county commissioners and make a thorough examination of the books, accounts and vouchers of such officers, ascertaining in detail the various items of receipts and expenditures; and it shall be his duty to inspect and verify the character and amounts of any and all assets and securities held by said officers on public account, and to ascertain the character and amount of any commissions, percentages or charges for services exacted by such officer without warrant of law. He shall report to the attorney general the refusal or neglect of any state or county officer to obey his instructions, and it shall be the duty

of said attorney general promptly to take action to enforce compliance herewith. He shall report to the governor the result of his examination, which shall be filed in the executive office, as well as any failure of duty by any financial officers as often as he thinks required by the public interest, and the governor may cause the result of such examination to be published, or at his discretion to take such action for the public securities as the exigencies demand, and if in his opinion the public interest requires it, he may suspend any such officer from further performance of duty, until examination is had, or such security obtained as may be demanded for the protection of the public funds. (1893, ch. 95, 4; R. C. 1899, 139.)

BOARD OF CONTROL.

Chapter 62, Section 13, Laws 1911. (Books and Accounts.) It, (the board of control) shall keep at its office a proper and complete system of books and accounts with each institution, which shall show every expenditure authorized and made thereat, and said book shall exhibit an account of each extraordinary or special appropriation made by the legislature, with each item of expenditure thereof.

Chapter 62, Section 14, Laws 1911. (Uniform System of Records and Accounts. Expert Help.) It shall prescribe the forms of records and the kind of accounts to be made and kept by the institutions heretofore specified. In providing for the books of accounts the said board shall establish as uniform a system as possible, compelling similar institutions to keep similar books in the financial operations of such institutions; and the board shall institute and require the keeping of a perfect system of accounts, and requisitions showing the purchase, storing and consumption of supplies for subsistence, construction or other purposes. The board, shall within six months after the passage of this act, determine the kinds and qualities of provisions and supplies for the several institutions subject to its charge.

STATE INSTITUTIONS.

UNIFORM SYSTEM OF ACCOUNTING FOR PUBLIC INSTITUTIONS.

An Act to Provide for the Uniform System of Accounting by the State Institutions of North Dakota, Prescribing the Books, Forms, the Duties of the Accounting Officer, the State Auditor and the Institution Treasurer, With Regard to such Uniform System of Accounting; Also Prescribing the Forms of Checks and Receipts to be Used and the Manner of Accounting to the State Auditor and the State Treasurer.

CHAPTER 232. LAWS OF 1907.

*Section 1. (State Institutions to Designate an Accounting Officer.)

*Section 2. (Duties of Accounting Officer.)

*Section 3. (Describing Books to be Used, Forms of Such Books.)

Forms of Vouchers, Receipts, Checks. Receipts to take Place of Duplicate Voucher to State Auditor. Forms of Expense Lists.)

Section 4. (Exceptions.) It is further provided that any institution now using a government form of accounting shall not be required to use the system herein provided if the said system shall necessitate the using of two sets of books in order to comply with the government system of accounting. But such parts of this system shall be used as can be used without interfering with the system provided by the government.

Section 5. (State Auditor Makes Forms.) It is hereby made the duty of the state auditor to make up the forms for the several institutions and to aid in the installment of the new system in the institutions of this state as soon as can conveniently be done. He shall have the right to recommend and make such changes in the system herein described as he believes will be of benefit to the state and to the institution.

Section 6. (Emergency.) Whereas, the systems of accounting now differ greatly and render the examination and checking of accounts difficult, and it is further desired that the systems of accounting be as nearly uniform as possible, therefore this act shall be in force and effect after its passage and approval and the system herein described shall be put into use by the institutions as soon as the forms can be ruled up and the books and blanks furnished.

TAX COMMISSION.

LAWS OF NORTH DAKOTA, 1911.

Chapter 303, Section 9. (Powers and Duties of.)

5. To require township, village, city, county and other public officers to report information as to the assessments of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and such other information as may be helpful in the work of the commission, in

*Note These sections merely describe details of the system provided for.

such form and upon such blanks as the commission may prescribe.

6. To inquire into the system of accounting of public funds in use in townships, cities, villages and counties, and to make needed recommendations for the uniform system of account of the receipts and disbursements of public funds in the municipalities of the state.

The statutes quoted above furnish ample proof of the interest of the legislature of this state in the subject of uniform accounting, but it will also be seen that authority in these matters has not been centralized in any particular head and that conflicting authority has been given to various officers and boards. It is hardly to be expected that a good plan would be evolved and put into operation under statutes that are so conflicting in the matter of authority. However, every officer and every board that is given authority over public accounts in the statutes above quoted is an officer or board specially interested in accounting methods and it is proper to indulge the hope that the officers designated will cause their interest to bear fruit in improved methods.

WHAT SHOULD BE DONE IN NORTH DAKOTA.?

As stated in the foregoing paragraph all the officers who have been given authority in the matter of accounting are interested, each from his own view point, in having a proper system instituted and we believe that the interest taken by each will be sufficient to insure his co-operation with the others in devising and instituting a comprehensive scheme. We would, therefore, suggest for the consideration of the legislature that the State Auditor, the Public Examiner, the members, or a member of the Board of Control and the members, or a member of the Tax Commission be constituted a commission—to serve without extra pay—to institute uniform accounting. Provision should also be made for deputy examiners to care for the additional work that would devolve upon the public examiner's office incident to the extension of examinations of municipalities not now under the jurisdiction of the public examiner's office. Provisions should also be made for the fixing of a scale of charges by the commission covering the installation of the system, and fees for examination.

For the information of the legislature we submit herewith in condensed form a statement of the laws of the various states, which have already adopted more or less comprehensive systems of accounting. We would especially call attention to the Ohio law and the Wisconsin law. The former has been used as a model for the legislation of several states and has proved very effective, while experience in Wisconsin under their law illustrates what can

be accomplished by an efficient board in whom is vested rather broad discretionary powers. The comment following the condensed statement of the law in each state is the comment of Mr. Iver A. Acker, Legislative Reference Librarian, and has been made by him as a result of inquiry from the various states.

DIGEST OF STATE LAWS RELATING TO UNIFORM ACCOUNTING.

CALIFORNIA.

In 1911 the California legislature passed an act creating a department of public accounting. The department is placed under the state board of control and the principal officer in the department is known as the superintendent of accounts. The salary of the superintendent is fixed at \$3,000 per year. Two assistants are provided for at a salary of \$2,700 each. The board of control has power to appoint additional accountants at salaries not to exceed \$2,500 per year. The accountants are required to qualify by open competitive examination along practical lines. The board is given power to install and supervise a uniform system of accounting and reporting for all officers in the state permitted or charged by law with keeping public accounts, having the custody or control of public money or its equivalent. It is made its duty to require financial statistical reports and to examine the books, etc., of public offices and institutions. A penalty is provided for any failure on the part of any officer or person to comply with the directions of the board of control in the matter of accounting or reporting.

Comment. This law is of such recent enactment that the officials responsible for its enforcement could not suggest how it might be improved when this information was requested.

COLORADO.

In 1909 the legislature of Colorado established the office of public examiner. The examiner is appointed by the state auditor and receives a salary of \$3,000 per year. It is made the duty of the state auditor and the public examiner to formulate, prescribe and install a system of accounting and reporting that shall be uniform for state and county officers and state and county institutions. Separate accounts are required for every appropriation made, or fund created by a taxing body. Financial reports are required of every state and county taxing body and public institutions in accordance with forms prescribed by the state auditor. These forms are required to be uniform for all accounts of the

same class. The auditor is required to publish annually a volume of comparative statistics showing collections, and receipts from all sources, expenditures, the public debt of every state and county taxing body and institution. The auditor is authorized to appoint assistants, known as state examiners, at salaries of \$150 per month. The auditor, public examiner and state examiners are authorized to examine accounts. Suitable penalty is prescribed for the failure of any person to make required reports.

Comment. The Public Examiner of Colorado states that there are several weak points in this law, and that these are due to the fact that the statute does not give the Public Examiner the power to demand of the district attorney that they prosecute offending county officials. Also that there is no appropriation made to defray the expenses of suits brought to recover funds illegally disbursed. In addition, the attorney general has not the right to bring action in such cases, unless the revenue of the state is affected. The result is that when the district attorneys are depending on the support of the county officials for their nomination and votes, it is impossible to get any action started by the district attorneys. The examiner anticipates that the next legislature will remedy the defects in this law.

CONNECTICUT.

In 1909 the earlier statutes were so amended as to require treasurers of counties, cities, boroughs, fire districts and towns to return to the tax commissioner, every fourth year, a clear and accurate statement, under oath, of all items constituting indebtedness. The statement must describe the indebtedness and must show the tax levies and accounts expended. The tax commissioner is required to publish these reports by counties.

In 1911 the legislature passed an act requiring the auditors and public examiners to perform their duties under the comptroller, and requiring reports of state and county officers and of superintendents of institutions upon forms prescribed by the comptroller.

Comment. Generally speaking the laws of this state do not provide for uniform accounting in public offices. Quadrennial returns of municipal debts and expenditures are required. This is only partial uniformity.

IDAHO.

In 1908 the legislature of Idaho passed a statute similar to the North Dakota statute (Code 1905, Section 143) providing that the state examiner should order and enforce, so far as practicable,

a uniform system of bookkeeping for state and county officers.

Comment. Idaho has no uniform accounting in practice in spite of the statute above noted. Most of the counties have a system of accounting of their own, based on their interpretation of the law. This has resulted in a great variety of methods in handling accounts.*

*Letter from State Insurance Commissioner, I. C. Hattabough, dated October 9, 1911.

INDIANA.

In 1909 the legislature created a bureau of inspection and supervision of public offices. The principal officer of the bureau is the state examiner, who is appointed by the governor, for a term of four years at a salary of \$4,000 per year. The governor also appoints two deputy examiners for a term of four years at a salary of \$3,000. The deputy examiners must belong to different political parties. There is also created a state board of accounts, consisting of the governor, auditor and state examiner. It is made the duty of this board to formulate, prescribe and install a uniform system of accounting and reporting for all public offices. Separate accounts are required for every appropriation, or fund made by or accruing to any municipality; also for each department, undertaking, institution or public service industry. County auditors, township trustees, city clerks, town clerks and secretaries of school boards are required to make annual reports to the state examiner, showing receipts and disbursements, public debt, costs of ownership and operation and income of public service industries and common school funds. The state examiner is required to furnish blanks and the board is authorized to employ necessary clerical assistants for formulating and installing a system of uniform accounting. In addition to this the state examiner is authorized to appoint field examiners, who must qualify in an open competitive examination, and not more than one-half of the applicants shall belong to the same political party. The reports to the examiner are required to be published in a book of comparative statistics. Suitable penalties are prescribed for failure to comply with the law. The expenses of examination are borne by the municipalities examined.

Comment. The State Examiner of Indiana writes that the operation of the law has proved the wisdom of its enactment many times over. With a very few exceptions all of the public officials throughout the state have been friendly to the law and have co-operated with the public examiner in its enforcement.*

*Letter from W. A. Dehority, State Examiner, dated December 19, 1911.

LOUISIANA.

In 1910 the legislature of Louisiana authorized the governor to appoint a supervisor of public accounts for a term of four years, at a salary of \$5,000 per year. An appropriation is also made to pay assistants and necessary clerical help. It is made the duty of the supervisor to examine the books of each collector and to inspect the books of the auditor of public accounts (corresponding to county auditors in North Dakota.) He also has authority to examine and audit the books of all public boards and commissions and any department of state government; also to examine the books and assessment lists of assessors. The supervisor reports results of his examination in duplicate. One is filed with the governor and one in the office investigated.

Comment. The supervisor of public accounts states that taken as a whole this law has proven satisfactory. The people and the newspapers of the state strongly favor uniform accounting. Any antagonism to the supervisor's office has come from those "who have had the light of day turned upon their loose method of conducting the state's business."* The law is not broad enough, however. It does not cover all county and municipal accounts.

IOWA.

In 1907 the Iowa legislature passed an act authorizing the state auditor to prescribe a system of books, records, etc., for county auditors, county treasurers and clerks of district court. He is given power to appoint assistants to aid in the preparation of forms. By an earlier law (1906) the state auditor was authorized to formulate and prescribe a system of uniform accounts for cities and towns. The auditor is also authorized to appoint one or more examiners. The expense of the examination is borne by the municipalities and the results are required to be published in a volume of comparative statistics.

Comment. This law has proved to be very satisfactory.

KANSAS.

In 1911 the legislature created a permanent commission consisting of the state accountant, state printer and attorney general, to prepare forms for a uniform system of records for counties, townships and school districts. It is made unlawful for any

*Letter from A. M. Smith, Supervisor of Public Accounts, dated January 5, 1912.

such officer to purchase, after July 1st, 1912, any blank books or records of any form other than those adopted by the commission. The tax commission has power, by an earlier law, to provide a uniform method of keeping tax rolls and books relating to taxation.

Comment. The state officials responsible for the enforcement of this law are unable to suggest any improvements until it has been put in practice.

MASSACHUSETTS.

The legislature in 1909 made it the duty of the director of bureau of statistics to prescribe standard forms intended to promote the systematic accounting of financial transactions and the publication of the same in city and town reports. It also made it his duty to secure reports upon blank forms or schedules so arranged as to provide for uniform returns showing receipts classified by sources, and payments classified by objects. The following year the legislature provided for auditing the accounts of towns and cities upon petition from the town or city. The expense is paid by the state and the state is in turn reimbursed by a tax laid upon the municipality to cover the expense.

Comment. The system devised by the bureau of statistics is installed in cities or towns upon petition. While the law of 1906 recognized the necessity for uniform accounting, it did not attempt to force such changes prematurely upon municipalities unwilling or unable to comprehend the value of a scientific system. It was based upon the theory that the needed changes in methods would in the long run prove most effective if public officers could be brought in a measure to make them voluntarily, after they themselves had come to appreciate their importance.*

MICHIGAN.

In 1911 the legislature passed an act directing the auditor general to formulate and prescribe an uniform system of book-keeping and accounting applicable to the departments of state government, state institutions and boards, and county officials, charged with keeping accounts. The accounts are required to show sources of revenue and manner of payment. Examinations and reports are required and the auditor general is directed to publish the substance of the reports annually in a volume of comparative statistics. The auditor general appoints assistants,

*Municipal Bulletin, No. 1, p. 3.

accountants and examiners whose compensation is fixed by the board of state auditors. The system is instituted in counties only upon their request.

Comment. The act was passed in accordance with the provisions of the constitution. The provision making the law in-operative in counties, unless the county requests that the system be installed, renders the law useless.*

MINNESOTA.

In 1909 the legislature of Minnesota authorized the appointment, by the governor of a public examiner, whose term of office is fixed at three years at a salary of \$4,100 per year. The examiner is authorized to appoint four assistant examiners, the first and second assistant, a corporation examiner and an executive clerk and other necessary employees, at salaries ranging from \$2,400 to \$1,500 per year. It is made the duty of the examiner to prescribe and enforce, as far as practicable, a uniform system of bookkeeping by state and county auditors and treasurers. He is also authorized to examine the books of such officers and the offices of the comptroller, treasurer and financial offices of the city of St. Paul. He reports biennially to the governor.

Comment. Except under special conditions the state examiner has no jurisdiction over cities, villages, townships or school districts. "Their accounting systems are in many cases not only not uniform, but in many cases deplorable in their lack of record."

(1) The uniform system of accounting in all counties and all state institutions has given general satisfaction. (2)

NEW JERSEY.

In 1908 the legislature of New Jersey made provisions for an auditor of accounts to be appointed by the governor at a salary of \$3,000, with assistants—three in number at salaries of \$2,000 per year. It is the duty of the auditor to establish a uniform system of bookkeeping in all department and state institutions and he is authorized to examine such institutions and the offices of county and state officials, who collect fees or other money on behalf of the state.

Comment. This law does not provide for uniform municipal accounting. In 1911 a bill was introduced in the legislature and was reported favorably by the Senate Committee having it in charge, but failed to become a law.

*Letter from V. B. Fellen, Auditor General, Dated Oct. 9, 1911.

(1) Letter from Andrew E. Fritz, Public Examiner, dated Oct. 14, 1911.

(2) Ibid.

NEW YORK.

In 1910 the legislature of the state of New York passed a law giving to the state comptroller broad powers in the supervision of the accounts of counties, cities and villages. He has the power to formulate and prescribe a uniform system of accounts for each class of municipal corporations and to direct their installation. He prescribes the forms for annual reports of all municipalities and is required to publish the substance of them in an annual volume of comparative statistics.

Comment. This law is comparatively new and the greater part of the work has been devoted to the examination of the accounts of municipal officers. In his report for 1910 the State Comptroller says: "In the counties examined during the last fiscal year (1910) it was found that the amount improperly and illegally expended during the single year ranges from two and one-fourth per cent of the total amount expended for the maintenance of the county governments to sixteen per cent of that amount, with an average of six and one-half per cent for all those counties. The general principal purposes for which the illegal expenditures of county moneys are incurred are as follows:

- (1) Compensations and expenses of the boards of supervisors.*
- (2) Compensations and expenses of county officials and their assistants.
- (3) Printing and publishing.

OHIO.

In 1902 the legislature of Ohio passed a comprehensive uniform accounting act applicable to accounting and reporting in counties, cities, villages, townships and school districts, which was later amended so as to include state institutions. The system is under the direction of a bureau of inspection and supervision of public offices, established as a department in the office of the state auditor. The state auditor is chief inspector and supervisor and is given power to appoint three deputies representing, at least, two political parties. He may also appoint other assistants, known as state examiners and assistant state examiners. The examiners are paid on a per diem basis, differing for state examiners and assistant state examiners and for the character of municipality or institutions examined, ranging from \$10.00 to \$5.00 per day. Financial reports are required showing receipts

*In not a single municipality examined can it be said that the finances have been administered in an absolutely proper and lawful manner. Such a condition is indicative of great laxity on the part of those charged with the control and expenditure of the tax-payer's money.

and disbursements, the amount of public debt in every taxing district, income and cost of every public service industry operated by a municipality and classified statement of receipts and expenditures of state offices and public institutions. The substance of these reports is required to be published annually in a volume of comparative statistics. The bureau examines the condition of every public office in every township, village, and school district, at least, once in two years and other offices annually. The expenses of examinations are borne by the counties in proportion to population. Expenses in taxing districts are borne by the districts.

Comment. Mr. E. M. Fullington, Auditor of State, who has been identified with the Bureau of Inspection since its organization, states that the power conferred upon the auditor of state and his deputies and examiners are broad enough to meet all requirements. While about a million of dollars of misappropriated fees and illegal expenditures have been returned to the public treasury since the enactment of this law through the investigation made by the Bureau of Inspection, the best results have been achieved in the improvement in bookkeeping and systems of accounts. Another influence for good has been the appreciation on the part of public officials and the employees of the responsibilities of their offices and the more efficient administration of the laws of the state relating to public officials.*

OKLAHOMA.

In 1908 the legislature of Oklahoma made it the duty of the state examiner and inspector to prescribe a uniform system of bookkeeping for the use of all treasurers and county officers. He is given full authority to investigate all state and county offices, and the books, etc., of state institutions and custodians of county and state funds. He may appoint two deputies at \$1,000 annually and a clerk at \$900 a year.

SOUTH DAKOTA.

In 1911 the legislature of South Dakota authorized the governor to appoint an executive accountant for the term of two years at a salary of \$1,800 per year and necessary assistants at \$6 per day. It is made the duty of the examiner to examine county offices at the request of the board of county commissioners in any county, or under the direction of the governor. The expense of the examination is paid by the county.

*Letter dated Jan. 27, 1911.

Comment. Mr. J. E. Truran, Executive Accountant, writes that this law is defective in so far as it applies to county examinations, for under an opinion of the attorney general he cannot pay his assistants out of the funds received from the county examined; but must turn the money into the general fund of the state and pay him out of the appropriation made and stated by the law. County examinations have therefore been discontinued. In spite of the defect, the executive has "secured the return of a considerable sum of money with more in sight." The fact that there is such an officer is causing the parties who are spending the state's money to be very cautious.*

WASHINGTON.

The Washington statute passed in 1909 and amended in 1911 is practically the Ohio law, described above. The penalty prescribed for the failure of officers to carry out the uniform system and make reports is removal from office, after conviction before the judges of the supreme court.

Comment. The Bureau of Inspection and Supervision has done a great deal of good in this state. As a result of uniform accounting and reporting the officers of one county in submitting estimates for the year 1910 made a voluntary reduction of over \$65,000 from the expense incurred in 1909. The Bureau of Inspection believes that this can be materially augmented. (1) As a result of investigations by the bureau discrepancies to the amount of \$37,702.42 were found in the accounts of the former attorney general. Said officer has been convicted and is now confined in the penitentiary, and recovery to the amount of \$20,016 has been made. (2)

WEST VIRGINIA.

In 1909 the legislature of West Virginia adopted the Ohio law above referred to. Instead, however, of making the state auditor chief inspector and supervisor of public offices, the state tax commission is made such ex-officio.

Comment. The Tax Commissioner in his report for the biennial period 1909-1910 has this to say of the law providing for uniform accounting and reporting. "The most serious objections raised against this law have come from that class of people who

*Letters dated Oct. 11 and Oct. 17, 1911.

(1) First annual report of the Bureau of Inspection and Supervision, 1910, p. 22.

(2) Ibid. p. 10.

object to the centralization of power. They say that it takes away home rule, and centralizes power in the state official to interfere with county and district affairs. Such an argument is pure demagoguery. I am a firm believer in sufficiently centralized power to make any government effective."

"I desire to impress this fact: That this law is still in its infancy. We have only been able so far to apply it to counties. We have not touched cities or districts. I have on many occasions made the statement that it is one of the best pieces of legislation placed upon the statute books of this state for a quarter of a century, and I have no reason for changing my views. The best way to illustrate the efficiency of this piece of legislation is to show the results already accomplished." (1)

WISCONSIN.

In Wisconsin it is made the duty of the state tax commission, to inquire into the system of the accounting of public funds in towns, villages, cities and counties and to prescribe and, at the request of any such municipality, to install a system of accounting, as nearly uniform as practicable. When so installed the system must be retained. The tax commission also audits the books upon the request of a municipality, or upon its own motion. The commission is required to establish a scale of charges for installing and auditing.

Comment. This act is merely an amendment to the tax commission law. Mr. A. E. James, Statistician of Wisconsin, who drafted the act, points out that the first difference between the Wisconsin law and that of Ohio and Indiana is in its brevity and general terms as contrasted with the extremely specific manner in which the duties and powers of their accounting bureaus are laid down. Instead, for instance, of being charged with the duty of an annual audit in each municipality of the state, the commission is given power to audit upon its own motion. The discretionary power of the commission is therefore broader than is granted to the Indiana and Ohio boards.

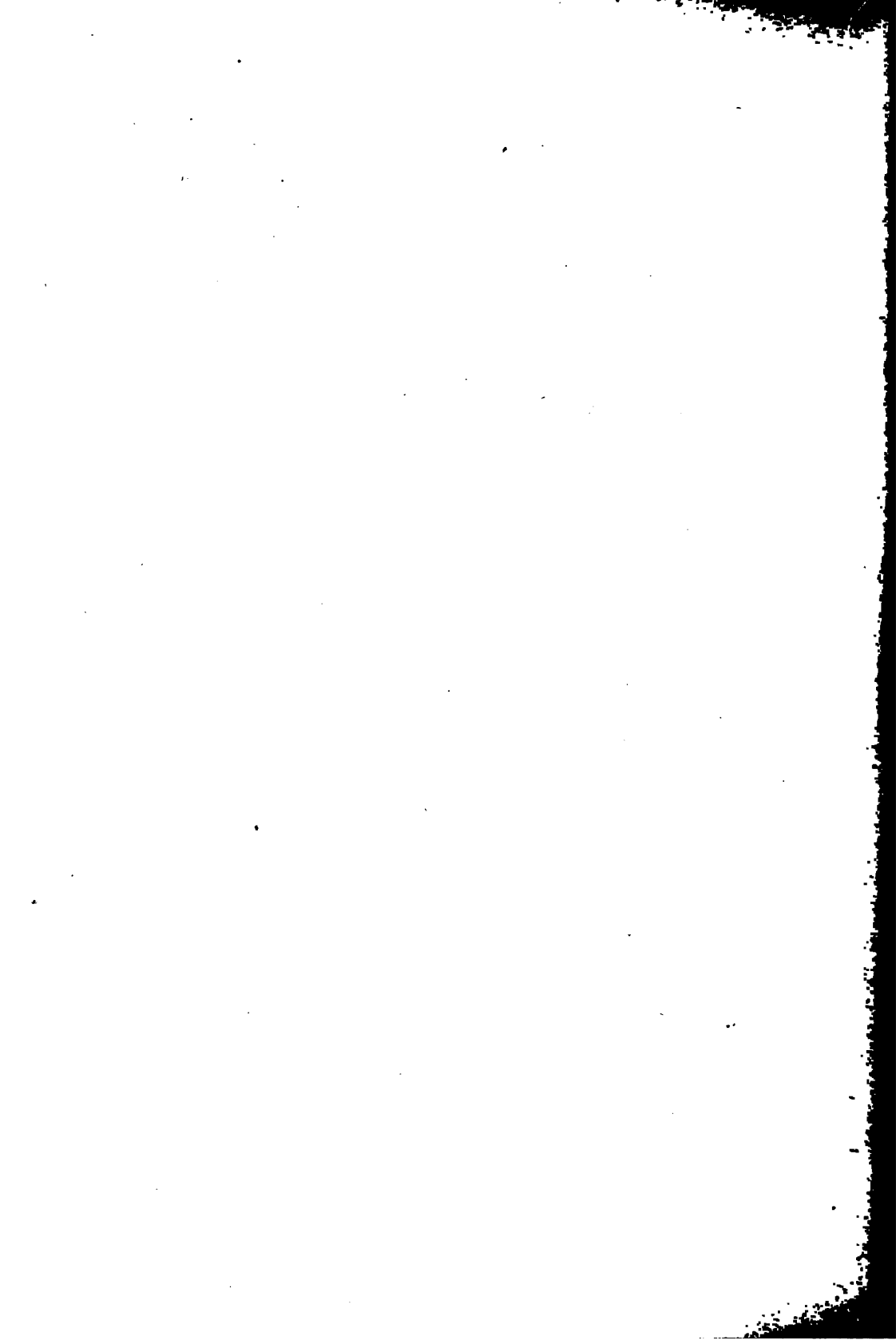
The second difference is that the employees of the commission who do the work are nowhere enumerated in the law nor is their compensation fixed by statute nor the manner of work which they do. This leaves the commission free to employ men at such salaries as it deems best and for such work as seems to be warranted by conditions as they arise. Finally, this law like that of Massachusetts is optional rather than compulsory. In the earlier stages of the law Mr. James considers it vital that the installation work shall be purely voluntary on the part of the municipalities—but that ultimately the law should be made compulsory. (1)

(1) Biennial Report State Tax Commissioner 1909-1910, p. 91.

(1) Letter from A. E. James, Statistician, State Tax Commission.

WYOMING.

The state examiner is given supervisory power over the books and financial accounts of the public educational, charitable and reformatory institutions and municipal corporations. He has authority to enforce, as far as practicable, a uniform system of bookkeeping by state, county and municipal officers. Reports are required of county treasurers and municipal corporations and the examiner is required to audit the accounts of school districts, cities or other municipalities upon request. The corporation defraying the expense.



CHAPTER XI.

SALES METHOD OF ASCERTAINING VALUES OF REAL PROPERTY.

Tax officials have long been embarrassed by a lack of facility for determining the true valuation of real property for purposes of assessment and equalization. It is the experience of every lawyer, who has anything to do with condemnation litigation that the judgment of real estate experts will differ very widely as to the valuation of specific tracts of real property after full opportunity to observe all the surrounding conditions. That a line could be drawn somewhere between the estimates of the optimist and the pessimist which would form a safe guide for all purposes of just assessment and equalization is not seriously doubted, but the problem of devising means by which to discover that line is not a simple one. We are fortunate, however, in being able to fall back upon the experience of the tax commissions of Wisconsin and Minnesota in these matters. For more than ten years the tax commission in the state of Wisconsin has used what is known as the sales method of determining the land and lot values and the same method has been in use in Minnesota for several years. In brief, this method consists in obtaining information concerning every sale in every part of the state, and it is done in this way. Field agents of the tax commission go into the various counties and transcribe from the records to cards memoranda of all the sales by warranty deed, and by inquiry they discover the nature of the transaction, as to whether it is a sale or a trade. If a sale they learn the true consideration from reliable sources. If they fail to obtain satisfactory information in this manner the sale is eliminated from their future calculations. By taking all of the transfers for which reliable information has been obtained an annual average is struck, which when considered in connection with the annual averages covering a period of several years affords the highest evidence obtainable of actual values in a particular county or municipality.

This method has proved highly satisfactory where it has been tried, and the information obtained in the manner above described has been of inestimable value in the equalization of tax burden.

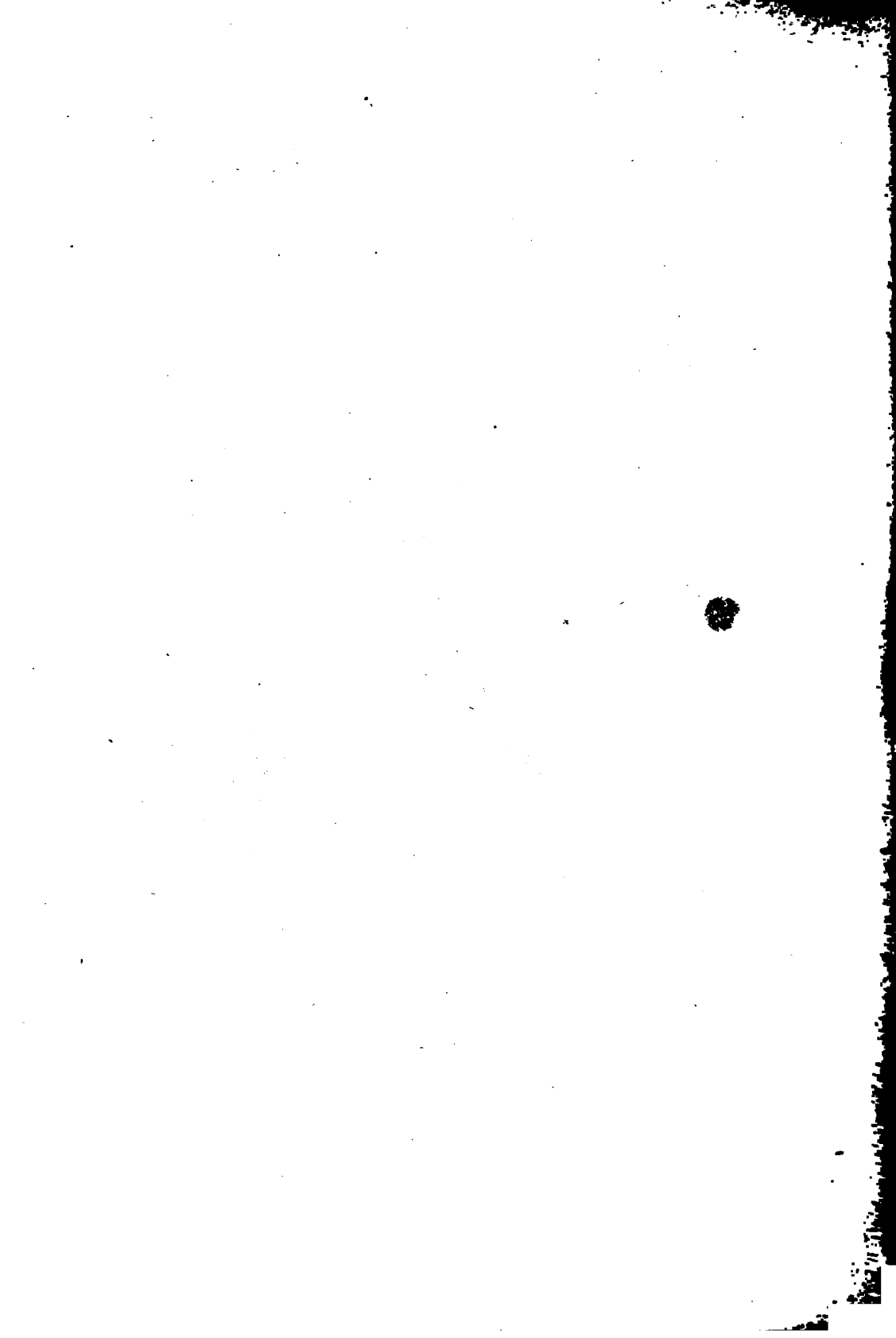
The gathering of information relating to the sales of real property could, we believe, be greatly facilitated by statutory provisions requiring confidential information to be furnished to the tax commission at the time the instruments are recorded. A bill making provision for such will be prepared by the tax commission and presented to the legislature for consideration.

CHAPTER XII.

SCHEDULE OF ITEMS USED IN LISTING PERSONAL PROPERTY FOR ASSESSMENT.

The experience of officials having to do with the administration of taxation and revenue laws, teaches that a hard and fast schedule fixed by statute does not produce the best results in the assessment of personal property. The chief reason why this is so is that a classification of various species of property which seems highly desirable at one time, may, in the course of a very short time, lose its value and will come to be productive of inequalities in assessment.

Section 1496 of the Code of North Dakota for 1905 provides for a schedule of twenty-seven items intended to set forth the number and value of items of personal property of various descriptions. It is well to require the listing of property in such a manner as to insure that no property will be over-looked and at the same time to present a schedule so classified that property of a given description will readily be placed under the proper heading. If this is not done all attempts at equalization will fail and instead of the equalization operating to distribute the burden of taxation more equitably, it is likely to exaggerate the inequalities already appearing. We believe that better results will be obtained by an amendment to Section 1496 which will preserve the section intact, and at the same time provide that the schedule may be changed by the tax commission whenever in its judgment, founded on experience, a change in the schedule is deemed advisable. For recommendation in this matter see page 158.



CHAPTER XIII.

INHERITANCE TAX HISTORY.

We hear much discussion today of the plan of taxation upon inheritances, and we are apt to gather the impression that the idea of the inheritance tax is modern. Nothing could be farther from the truth. The inheritance tax goes back to the early civilizations. Gibbons, in his History of the Roman Empire, tells us that the Emperor Augustus suggested the use of this tax for the support of his army. This form of taxation has been used from early times in those countries of continental Europe that have borrowed their legal and fiscal systems from the Romans. The use of this tax has grown with the growth of democracy until to-day it is in use not only in the principal states of continental Europe, and in England, Australia and Canada; in fact, generally throughout the English Colonies, and in a large number of the American states. Its use in England dates from about 1780 and its first recognition in the American states was in Pennsylvania, in 1826. So general is the use of the inheritance tax now that it may well be considered an established part of our revenue system.

THEORIES OF THE INHERITANCE TAX.

There are three main theories advanced by economists in support of taxation of inheritances. They are: the back tax, income without toil or service, and accidental income, theories.

Those who support the back tax theory of inheritance taxation do so on the ground that under our revenue systems the common experience is that taxation falls heaviest upon those least able to bear it and that the wealthy escape a large portion of the tax burden that they should bear. Consequently, they contend that a system that will take from the estate at the time of its descent or distribution a sum that will compensate for a loss of revenue during a period of years is just. It will at once be seen that it is impossible under this theory to draft an inheritance tax law upon any principle that will mete out justice between the inheritance and the state. If the inheritance is taxed on the back tax theory there should be no exemption and the rate should be such as to insure the taxing of only sufficient to make up for the taxes that have been evaded. However impossible it may be to mete out justice in this situation through the medium of an inheritance tax, it is nevertheless true that the popular demand for

this form of taxation is based, in large measure, upon the universal belief in the main fact that lies back of the argument, namely; that the wealthy are not taxed in the same proportion to their wealth as are the poor and the moderately well-to-do.

Some economists support the inheritance tax on the ground that it takes income for which no toil has been expended, thus placing it on a par with other forms of taxation that have for their object the taking for public purposes of unearned increment. Notable among these economists is Dr. Richard T. Ely.

The third theory, namely; that of accidental income, has the support of Dr. E. R. A. Seligman. On this subject he says in his *Essays on Taxation*:

"The logical defense for the inheritance tax is thus the accidental-income argument. It is in harmony with the general basis of taxation—the faculty or ability of the individual to pay; it rounds out the existing system, whether based on property or on income; and it is not open to the objections which may be urged in one form or another against each of the other theories.

Granting the desirability of the tax, we are at once confronted by the problem of graduated or progressive taxation. Graduation of the tax according to relationship has met with well-nigh universal acceptance; graduation of the tax according to amount has given rise to more controversy. This question has been fully discussed in another place with the conclusion that the theory of progression is more applicable to the inheritance tax than to any other part of the fiscal system; and that, whether we base our demand on the limitation-of-inheritance theory, the faculty theory, or the compensatory theory, some scale of progression is both desirable and practicable.

The inheritance tax of to-day scarcely needs defence. It is found in almost every country; and the more democratic the country, the more developed is the tax. In some of the Canadian provinces, in the Australian colonies, in the Swiss cantons, in England itself, the rates are not only progressive, but highly progressive. In the United States also, there is now a decided movement toward the progressive inheritance tax."*

Dr. Max West also supports this view.

It will thus be seen that there is ample economic authority for the inheritance tax and that this form of taxation is one that is commending itself more and more on account of the ease with which it may be made to yield revenue with the minimum of hardship and of industrial and economic loss. Not the least of the virtues of the inheritance tax is that it cannot be shifted. Its wisdom can scarcely be questioned, since it does not touch private

* (Seligman's *Essays on Taxation*, pages 132-133.)

property during the life of the owner; it does not levy a tax on business activity; it is easily ascertained and collected while the estate is in probate; it adds no burden to the poor, but requires those who receive much to pay something to the government in proportion to their ability to pay, in so far as ability is measured by the inheritance.

SHOULD THE TAX BE RETRIBUTIVE?

Is it desirable to employ the inheritance tax as an instrument for reducing swollen fortunes? No one can now successfully deny that great fortunes have resulted through special privilege given by law or taken away from the people in defiance of all law. The political unrest prevalent in our country today has brought to light evil deeds in high places which will ultimately bring about a reasonable solution. The alarm and righteous indignation which resulted from recent disclosures would undoubtedly cause many persons to turn against law violators with whatever weapons may be at hand. But, even if this be true, the inheritance tax is not the proper weapon to employ. A retributive inheritance tax would in no way remove the causes of undue concentration of wealth; but merely divide up a man's gains after his death.

Prof. Bullock, of the Department of Economics of Harvard University, in an address delivered before the National Tax Association at Columbus, Ohio, in 1907, used this apt language:

"If fortunes have been made by reckless or dishonest management of large corporations, the obvious remedies are reform of our corporation laws and the cultivation of higher standards of business morals. This may be a slow and difficult task; but it is perhaps the issue of the hour, and beside it the taxation of inheritances pales into utter insignificance. New legislation will be needed, but the relentless enforcement of existing laws against such old-fashioned offenses as conspiracy and theft would probably go far to accomplish the desired result. Make it as dangerous to mismanage a transcontinental railway as to hold up a transcontinental express, and you will speedily reduce one class of swollen fortunes. Make it as perilous for an officer to plunder an insurance company as for a clerk to appropriate a few hundred dollars from its fund, and you will reduce another. Punish the financier who loots a street railway as you punish the hungry man who robs a bakery, and you will reach a third class of fortunes. Deal with such gentlemen in the criminal courts rather than in the probate, and you will remove causes of dissatisfaction; pursue them in the civil courts with suits of restitution, and you will return stolen goods to the rightful owners. These remedies are simple and old fashioned; they may offer no complex prob-

lems for the amateur sociologist; but they lie directly at hand and have a potency far exceeding all schemes for social regeneration through act of Congress."

It has been argued with great force that a retributive tax on inheritance would cause property other than real estate to go into hiding in an effort to escape a tax of 20 per cent or 30 per cent, whereas a small tax, one for revenue, could be collected with considerable success, as the average man would not exert himself to escape a small tax. But the menace of great concentration of wealth and of large fortunes is not upon us in North Dakota. Consequently, there is no desire to use the inheritance tax law as a retributive measure.

THE LEGAL BASIS OF THE INHERITANCE TAX.

No theory of individual ownership of property ever was nor can be devised which does not leave the exercise of property rights at the will of government. Property right, then, is not a natural right, and there is a growing school of thinkers who qualify the right to ownership of property to an ownership that is socially useful. It is not allowed as a human, individual necessity. It exists only through some form of government. In a country like ours the governing power rests in the people. They are bigger than all statutes and constitutions, for these they may change at will. They formulate and adopt constitutions in order that they may restrict themselves. This is true both in state and federal forms of government. Unless the people have protected property by constitutional provisions, either state or federal, or both, the legislatures of the various states in the union would have perfect freedom to enact laws for the taxation of property and of legal privileges which would confiscate that property to the state.

In enacting an inheritance tax law for North Dakota, the legislature is unrestrained except by the federal and state constitutions. In Article Five of the Federal Constitution we find a restriction on Congress which provides that no person shall be deprived of life, liberty or property without due process of law. In the Fourteenth amendment we find a restriction upon the power of states: "Nor shall any state deprive any person of life, liberty or property without due process of law nor deny to any person within its jurisdiction the equal protection of the laws." The latter is the only limitation on the power of a state to enact a law for the taxation of inheritances. The Constitution of North Dakota merely provides that: "Laws shall be passed taxing by uniform rule all property." This is a constitutional provision applicable to all laws that are passed for the taxation of property and has no application to laws which are designed to tax privileges of various forms. The inheritance tax

law is a tax upon the privilege of inheriting property from an ancestor or of taking according to the laws of descent or by operation of a will, and is not, in a legal sense, a tax on property. Therefore the only constitutional restrictions upon the right of the legislature to pass an inheritance tax law are that they shall not take property without due process of law nor deprive any person of the equal protection of the laws. That the inheritance tax law which is herewith presented for the consideration of the legislature meets these legal constitutional requirements will appear from the decisions which are hereinafter quoted.

Thus, to sum up: Nobody has the absolute right to inherit the property of his relatives nor to take by devise. Such right exists only by virtue of statute. Except for such constitutional provision it would be as lawful for the legislature to prescribe that half or all of the property of a descendant should pass to the state as for it to provide that relatives shall take in accordance with the laws of succession or that both relatives and strangers in blood shall take by law. By reason of the fact that it has so long been the law of civilization that property is inherited by the relatives of one who is deceased, such law, in all probability, will never be changed. But such custom, enacted into positive law, has not prevented the enactment of laws providing that in the passage of property from one person to another under the laws of succession or by will, it shall pass subject to conditions in favor of the state. The power which makes such transfer possible may impose conditions upon it. Such conditions may be the withholding on the part of the sovereign of a part of such property for its own use, and when this is done it is done by means of a tax taxing the privilege of passing property on. In passing such laws we must avoid the federal danger signals designated as due process of law and equal protection of the laws.

Such a tax as above described is called an inheritance tax. If it is small it is a revenue measure; if large it is enacted in an attempt to break up swollen fortunes. We are firmly of the opinion, then, that an inheritance tax is perfectly legitimate and that it is effective as a revenue measure and easy to administer, and further; that it should not be a retributive measure but levied only for the purpose of raising revenue.

NORTH DAKOTA'S PRESENT LAW AND A PROPOSED LAW.

Our present inheritance tax law is a failure as a revenue measure. It was passed in 1903 and provides that there shall be an exemption of twenty-five thousand dollars from the tax. Direct heirs are exempt absolutely and two per cent is levied on the property passing to collateral heirs and strangers in blood above the said exemption. Since its enactment the total revenue de-

rived by the state has been but \$1,881.04. The state needs new legislation on this subject.

In the twelfth legislative assembly a law was passed providing for the creation of a probate code commission. The commission which was appointed in pursuance of the provisions of this law consists of the following members: Judge A. G. Hanson, of Fargo, Chas. S. Ego, of Lisbon, and George E. Wallace, of Wahpeton.

Among the things considered by the probate code commission were the inheritance tax provisions of the existing Probate Code and the desirability of changing the law. The law presented herewith is the law proposed by the Probate Code Commission.

The principal changes in the inheritance tax legislation will appear upon examination of the following table of rates. (See recommendations on page 158 of this report.)

VIEWES OF COMMISSIONER BIRDZELL.

Since the Tax Commission adds its endorsement of the "Proposed Inheritance Tax Law," to that of the Probate Code Commission, I desire to add a word with reference to the rates provided for. The rates in the proposed law are higher than those of any state in the union—the lowest rate being 2 per cent for transfers to lineals progressing to 6 per cent and the highest for strangers and collaterals being 10 per cent progressing to 30 per cent. Our revenue necessities, in my opinion, do not drive us to this extreme, and we are confronted by no social condition justifying a measure that comes dangerously near the retributive point.

The exemptions are also low, but this is not particularly objectionable, except as it adds to the undesirability of the high rates. In my opinion the rates imperil the constitutional validity of the law. It might also be well to consider the effect these rates will have upon the residence of persons of means who have reached the age of retirement.

L. E. BIRDZELL.

TABLE SHOWING RATES AND EXEMPTIONS IN PROPOSED INHERITANCE TAX LAW.

Relationship	Amount Exempt	Rates Applicable to Fractional Part Between					
		On Excess After Deduction of Exemption from \$25,000	\$25000 to \$50000	\$50000 to \$100000	\$100000 to \$500000	Excess above \$500000	
		per cent	per cent	per cent	per cent	per cent	
Husband, wife, lineal issue, lineal ancestor, adopted or mutually acknowledged child	Husband or Wife \$5,000 Others \$1,000	2	3	4	5	6	
Brothers, sisters and their descendants, wife or widow of a son or husband of a daughter	\$250	3	4½	6	7½	9	
Uncles, aunts and their descendants	\$125	6	9	12	15	18	
Brothers or sisters of the grandfather or grandmother or their descendants	\$75	8	12	16	20	24	
Persons in other degrees of collateral consanguinity, strangers and corporations not exempt	\$50	10	15	20	25	30	

TABLE SHOWING RATES AND EXEMPTIONS IN PRESENT INHERITANCE TAX LAW.

Relationship	Amount Exempt	Rate
Father, mother, husband, wife, lineal descendant, adopted child and its lineal descendants, or given for charitable, educational or religious societies or institutions within this state	No Tax \$25,000	2%
To all others		

PROPOSED LAW.

INHERITANCE TAX.

Section 1. Tax Transfers; Exceptions. A tax shall be and is hereby imposed upon the transfer of any tangible property within the state, and of intangible property, or any interest therein, or income therefrom, in trust or otherwise, to any person, association, or corporation, except county, town or municipal corporations, or corporations within the state, organized under its laws solely for religious, charitable, or educational purposes, which shall use the property so transferred exclusively for the purposes of their organization within the state, in the following cases:

1. When the transfer is by will or by the intestate laws of the state, of any intangible property or of tangible property within the state, from any person dying possessed of the property while a resident of the state.

2. When a transfer is by will or intestate law, of tangible property within the state or within its jurisdiction and the decedent was a non-resident of the state at the time of his death.

3. When the transfer is of intangible property, or of tangible property within this state, made by a resident, or of tangible property within this state, made by a non-resident by deed, grant, bargain, sale or gift made in contemplation of the death of the grantor, vendor or donor, or intended to take effect in possession or enjoyment at or after such death.

4. Such tax shall be imposed when any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property or the income thereof, by any such transfer whether made before or after the passage of this act; provided, that the property or estates which have vested in such persons or corporations before this act takes effect, shall not be subject to the tax; and provided further, that contingent interests created by the will of any person who died prior to the passage of this act shall not be taxed.

5. Whenever any person or corporation shall exercise a power of appointment derived from any disposition of property made either before or after the passage of this act, such appointment when made shall be deemed a transfer taxable under the provisions of this act in the same manner as though the property to which such appointment relates belonged absolutely to the donee by will; and whenever any person or corporation possessing such a power of appointment so derived, shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this act shall be deemed to take place to the extent of such omission or failure, in the

same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such power related, had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure. .

6. The tax so imposed shall be upon the clear market value of such property at the rates hereinafter prescribed and only upon the excess of the exemptions hereinafter granted.

Section 2. Primary Rates, Where Not in Excess of \$25,000. When the property or any beneficial interest therein passes by any such transfer where the amount of the property shall exceed in value the exemption hereinafter specified, and shall not exceed in value twenty-five thousand dollars, the tax hereby imposed shall be as follows:

1. Where the person or persons entitled to any beneficial interest in such property shall be the husband, wife, lineal issue, lineal ancestor of the decedent or any child adopted as such in conformity with law, or any child to whom such decedent for not less than ten years prior to such transfer stood in the mutually acknowledged relation of a parent, provided, however, such relationship began at or before the child's fifteenth birthday, and was continuous for said ten years thereafter, or any lineal issue of such adopted or mutually acknowledged child, at the rate of two per centum of the clear value of such interest in such property.

2. Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister or a descendant of a brother or sister of the decedent, a wife or widow of a son, or the husband of a daughter of the decedent, at the rate of three per centum of the clear value of such interest in such property.

3. Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the father or mother or a descendant of a brother or sister of the father or mother of the decedent, at the rate of six per centum of the clear value of such interest in such property.

4. Where the person or persons entitled to any beneficial interest in such property shall be the brother or sister of the grandfather or grandmother or a descendant of the brother or sister of the grandfather or grandmother of the decedent, at the rate of eight per centum of the clear value of such interest in such property.

5. Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of col-

lateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate, at the rate of ten per centum of the clear value of such interest in such property.

Section 3. Rates in Excess of \$25,000. The foregoing rates in section two are for convenience termed the primary rates. When the amount of the clear value of such property or interest exceeds twenty-five thousand dollars, the rates of tax upon such excess shall be as follows:

1. Upon all in excess of twenty-five thousand dollars and up to fifty thousand dollars, one and one-half the primary rates.
2. Upon all in excess of fifty thousand dollars and up to one hundred thousand dollars, two times the primary rates.
3. Upon all in excess of one hundred thousand dollars and up to five hundred thousand dollars, two and one-half times the primary rates.
4. Upon all in excess of five hundred thousand dollars, three times the primary rates.

Section 4. Exemptions; From First \$25,000. The following exemptions from the tax, to be taken out of the first twenty-five thousand dollars, are hereby allowed:

1. Property of the clear value of five thousand dollars transferred to the husband or wife of the decedent, and one thousand dollars transferred to each of the other persons described in the first subdivision of Section 2, shall be exempt.
2. Property of the clear value of two hundred and fifty dollars transferred to each of the persons described in the second subdivision of Section 2, shall be exempt.
3. Property of the clear value of one hundred and twenty-five dollars transferred to each of the persons described in the third subdivision of Section 2, shall be exempt.
4. Property of the clear value of seventy-five dollars transferred to each of the persons described in the fourth subdivision of Section 2, shall be exempt.
5. Property of the clear value of fifty dollars transferred to each of the persons and corporations described in the fifth subdivision of Section 2, shall be exempt.

Section 5. Tax a Perpetual Lien. Every such tax shall be and remain a lien upon the property transferred until paid and

the person to whom the property is transferred and the administrators, executors, and trustees of every estate so transferred, shall be personally liable for such tax until payment.

Section 6. County Treasurer Makes Duplicate Receipts. The tax shall be paid to the treasurer of the county in which the county court is situated having jurisdiction as herein provided; and said treasurer shall make duplicate receipts of such payment, one of which he shall immediately send to the state treasurer, whose duty it shall be to charge the county treasurer so receiving the tax with the amount thereof, and the other receipt shall be delivered to the executor, administrator, or trustee, whereupon it shall be a proper voucher in the settlement of his accounts.

Section 7. No Final Accounting Without Receipt. But no executor, administrator, or trustee shall be entitled to a final accounting of an estate, in settlement of which a tax is due under the provisions of this act, unless he shall produce such receipt, or a certified copy thereof, or unless a bond shall have been filed as prescribed by Section 13.

Section 8. Tax Due at Time of Transfer. All taxes imposed by this act shall be due and payable at the time of the transfer, except as hereinafter provided. Taxes upon the transfer of any estate, property or interest therein, limited, conditioned, dependent, or determinable upon the happening of any contingency or future event, by reason of which the fair market value thereof cannot be ascertained at the time of transfer as herein provided, shall accrue and become due and payable when the beneficiary shall come into actual possession or enjoyment thereof.

Section 9. Discount or Penalty, When. If such tax is paid within one year from the accruing thereof, a discount of five per centum shall be allowed and deducted therefrom. If such tax is not paid within eighteen months from the accruing thereof, interest shall be charged and collected thereon at the rate of ten per centum per annum from the time the tax accrued; unless by reason of claims made upon the estate, necessary litigation or other unavoidable cause of delay, such tax shall not be determined and paid as herein provided, in which case interest at the rate of six per centum per annum shall be charged upon such tax from the accrual thereof until the cause of such delay is removed, after which, ten per centum shall be charged. In all cases when a bond shall be given under the provisions of Section 13, interest shall be charged at the rate of six per centum from the accrual of the tax, until the date of payment thereof.

Section 10. When Legacy Not in Money. Every executor, administrator, or trustee shall have power to sell so much of the

property of the decedent as will enable him to pay such tax in the same manner as he might be entitled to do for the payment of the debts of the testator or intestate. Any such administrator, executor, or trustee having in charge or in trust any legacy or property for distribution subject to such tax, shall deduct the tax therefrom, and within thirty days thereafter shall pay over the same to the county treasurer, as herein provided. If such legacy or property be not in money, he shall collect the tax thereon upon the appraised value thereof, from the person entitled thereto. He shall not deliver or be compelled to deliver any specific legacy or property subject to tax thereon. If any such person until he shall have collected the tax thereon. If any such legacy shall be charged upon or payable out of real property, the heir or devisee shall deduct such tax therefrom and pay it to the administrator, executor, or trustee, and the tax shall remain a lien or charge upon such real property until paid, and the payment thereof shall be enforced by the executor, administrator, or trustee, in the same manner that payment of the legacy might be enforced or payment may be enforced by the state's attorney under sections 34 and 35. If any such legacy shall be given in money to any such person for a limited period, the administrator, executor, or trustee, shall retain the tax upon the whole amount, but if it be not in money, he shall make application to the court having jurisdiction of an accounting by him, to make an apportionment if the case requires it, of the sum to be paid into the hands of such legatees, and for such further order relative thereto as the case may require.

Section 11. Tax Refunded When. If any debt shall be proved against the estate of the decedent after the payment of any legacy or distributive share thereof, from which any such tax has been deducted, or upon which it has been paid by the person entitled to such legacy or distributive share and such person is required by the order of the county court having jurisdiction thereof, on notice to the state treasurer, to refund the amount of such debts or any part thereof, an equitable proportion of the tax shall be repaid to such person by the executor, administrator, trustee, or officer to whom said tax has been paid.

Section 12. Now Refund on Tax Made. When any amount of said tax shall have been paid erroneously into the state treasury, it shall be lawful for the state treasurer, upon receiving transcript from the county court record showing the facts, to refund the amount of such erroneous or illegal payment to the executor, administrator, trustee, person or persons who have paid any such tax in error, from the treasury; or the said state treasurer may order, direct and allow the treasurer of any county to refund the amount of any illegal or erroneous payment of

such tax, out of the funds in his hands or custody to the credit of such taxes, and credit him with the same in his account rendered to the state treasurer under this act. Provided, however, that all applications for such refunding of erroneous taxes shall be made within one year from the payment thereof, or within one year after the reversal or modification of the order fixing such tax.

Section 13. Bond for Payment of Tax, When. Any beneficiary of any property chargeable with a tax under this act, and any executors, administrators and trustees thereof, may elect within eighteen months from the date of the transfer thereof as herein provided, not to pay such tax until the person or persons beneficially interested therein shall come into actual possession or enjoyment thereof. The person or persons so electing shall give a bond to the state in a penal sum of three times the amount of any such tax, with such sureties as the county court of the proper county may approve, conditioned for the payment of such tax and interest thereon, at such time or period as the person or persons beneficially interested therein may come into the actual possession or enjoyment of such property, which bonds shall be filed in the county court. Such bond must be executed and filed and a full return of such property made upon oath to the county court within one year from the date of such transfer thereof as herein provided, and such bond must be renewed every five years.

Section 14. Requests to Executors for Services. If a testator bequeaths property to one or more executors or trustees in lieu of their commissions or allowances, or makes them his legatees to an amount exceeding the commissions or allowances prescribed by law for an executor or trustee, the excess in value of the property so bequeathed, above the amount of commissions or allowances prescribed by law in similar cases, shall be taxable under this act.

Section 15. Jurisdiction: Ancillary Letters. The county court of every county of the state having jurisdiction to grant letters testamentary or of administration upon the estate of a decedent whose property is chargeable with any tax under the inheritance tax laws, or to give ancillary letters thereon, shall have jurisdiction to hear and determine all questions arising under the provisions of the inheritance tax laws, and to do any act in relation thereto authorized by law to be done by a county court in other matters or proceedings coming within its jurisdiction; and if two or more county courts shall be entitled to exercise any such jurisdiction, the county court first acquiring jurisdiction hereunder shall retain the same to the exclusion of every other county court.

Section 16. Special Appraiser May be Appointed. The county court upon the application of any interested party, including the tax commission and public administrator or upon its own motion, shall as often as and whenever occasion may require, appoint a competent person as special appraiser to fix the fair market value at the time of the transfer of the property of the persons whose estates shall be subject to the payment of any tax imposed by this act.

Section 17. How Appraised: Annuities, How Computed. Whenever a transfer of property is made upon which there is, or in any contingency there may be, a tax imposed, such property shall be appraised at its clear market value immediately upon the transfer or as soon thereafter as practicable. The value of such future or limited estate, income, interest or annuity dependent upon any life or lives in being, shall be determined by the rule, method, and standard of mortality and value employed by the commissioner of insurance in ascertaining the value of liabilities of life insurance companies, except that the rate of interest for making computation shall be five per centum per annum.

Section 18. Contingent Incumbrances. In estimating the value of any estate or interest in property to the beneficial enjoyment of possession whereof there are persons or corporations presently entitled thereto, no allowance shall be made in respect of any contingent incumbrance thereon, not in respect of any contingency upon the happening of which the estate or property or some part thereof, or interest therein, might be abridged, defeated, or diminished; provided, however, that in the event of such incumbrance taking effect as an actual burden upon the interest of the beneficiary or in the event of the abridgment, defeat or diminution of such estate or property or interest therein as aforesaid, a return shall be made to the persons properly entitled thereto of a proportionate amount of such tax in respect of the amount or value of the incumbrance when taking effect or so much as will reduce the same to the amount which would have been assessed in respect of the actual duration or extent of the estate or interest enjoyed. Such return of tax shall be made in the manner provided in Sections 11 and 12.

Section 19. Tax When Subject to Charge Determinable By Death. When any property shall after the passage of this act be transferred to any charge, estate or interest determinable by the death of any person or at any period ascertainable only by reference to death, the increase of benefit accruing to any person or corporation upon the extinction or determination of such charge, estate or interest shall be deemed a transfer of property taxable under the provisions of this act in the same manner as

though the person or corporation beneficially entitled thereto had then acquired such increase of benefit from the person from whom the title to their respective estates or interests is derived.

Section 20. Contingent Trusts Taxed Primarily (at Lowest Rate. When property is transferred in trust or otherwise, and the rights, interests or estates of the transferees are dependent upon contingencies or conditions whereby they may be wholly or in part created, defeated, extended, or abridged, a tax shall be imposed upon such transfer at the lowest rate which on the happening of any of said contingencies or conditions would be possible under the provisions of this act, and such tax so imposed shall be due and payable forthwith out of the property transferred; provided, however, that on the happening of any contingency or condition whereby the said property or any part thereof is transferred to a person or corporation, which under the provisions of this act is required to pay a tax at a higher rate than the tax imposed then such transferee shall pay the difference between the tax imposed and the tax at the higher rate, and the amount of such increased tax shall be enforced and collected as provided in this act.

Section 21. Contingent or Defeasible Estates in Expectancy. Estates in expectancy which are contingent or defeasible and in which proceedings for determination of the tax have not been taken or where the taxation thereof has been held in abeyance shall be appraised at their full undiminished clear value when the persons entitled thereto shall come into the beneficial enjoyment or possession thereof without diminution for or on account of any valuation theretofore made of the particular estates for purposes of taxation upon which said estates in expectancy may have been limited. Where an estate for life or for years can be divested by the act or omission of the legatee or devisee, it shall be taxed as if there were no possibility of such divesting.

Section 22. Notice by and Duty of Special Appraisers; Compensation. Every such appraiser shall forthwith give notice by mail to all persons known to have a claim or interest in the property to be appraised, and to such persons as the county court may by order direct, of the time and place when he will appraise such property. He shall, at such time and place, appraise the same at its fair market value, as herein prescribed, and for that purpose the said appraiser is authorized to issue subpoenas and to compel the attendance of witnesses before him and to take the evidence of such witnesses under oath concerning such property and the value thereof; and he shall make report thereof and of such value in writing, to the said county court, together with the deposition of the witnesses examined, and such other facts in

relation thereto and to the said matter as the said county court may order or require. Every appraiser shall be paid on the certificate of the county court at the rate of three dollars per day for every day actually and necessarily employed in such appraisal, and his actual and necessary traveling expenses and the fees paid such witnesses, which fees shall be the same as those now paid to witnesses subpoenaed to attend in courts of record, by the county treasurer out of the funds he may have in his hands on account of any tax imposed under the provisions of this act.

Section 23. Report of Special Appraiser; Notice For Hearing. The report of the special appraiser shall be made in duplicate, one of these duplicates shall be filed in the office of the county court and the other in the office of the tax commission. Upon filing such report, the county court shall forthwith give ten days' notice by mail to all persons known to be interested in the estates, including the tax commission, of the time and place for the hearing in the matter of such report and other proofs relating to any such estate, shall forthwith at the time so fixed, determine the cash value of such estate and the amount of tax to which the same is liable.

Section 24. Hearing Without Appointing Special Appraiser. The county court, without appointing such appraiser, upon giving ten days notice by mail to the tax commission and all persons known to be interested in the estate, may at the time and place fixed in the notice hear evidence and determine the cash value of such estate and the amount of tax to which the same is liable. If the residence or postoffice address of any person interested in the estate is unknown to the executor, administrator, or trustee, notice of the hearing in the matter of the report of the appraiser or notice that the county court, without appointing such appraiser, would determine the cash value of an estate, shall be given to all such persons by publication of such notice not less than three successive weeks prior to the time fixed for such hearing or determination in such newspaper published within the county as the court shall direct.

Section 25. Additional Appraiser, When. If the county court without appointing such special appraiser decides to hear evidence as to the cash value of the estate for inheritance tax purposes, the court may, at the time of the appointment of the regular appraisers of the estate, on its own motion, designate an additional appraiser to represent the county and state, and such additional appraiser shall report the inventory and appraisal of said property with the other appraisers; or, in case of failure to agree, in a separate report, and shall be entitled to compensation of three dollars per day for each day necessarily employed in

such appraisal and his mileage, which fees shall be paid on the certificate of the county judge by the county treasurer out of any of the state's inheritance tax funds he may have in his possession.

Section 26. Commissioner of Insurance to Value Future Estates. The commissioner of insurance shall on application of any county court determine the value of any such future or contingent estate, income, or interests therein, limited, contingent, dependent, or determinable upon the life or lives of the person or persons in being upon the facts contained in such special appraisers' report or upon the facts contained in the county court's finding and determination and certify the same to the county court, and his certificate shall be presumptive evidence that the method of computation adopted therein is correct.

Section 27. Order Determining Tax; Form and Notice. Upon the determination by the county court as to the value of any estate which is taxable under the inheritance tax laws and the tax to which it is liable, notice shall be given to all persons known to be interested, including the county treasurer and tax commission mailing to each a copy of the order of determination. Such order shall include a statement of (1) the date of the death of the decedent, (2) the net value of the real and personal property to be transferred, (3) the name and relationship of the persons entitled to receive the same, (4) the total amount of tax to be paid, and (5) a statement as to penalty for delay, if any, and shall be substantially in the form to be prescribed and furnished the county court by the tax commission. And no final judgment shall be entered in such estates until due proof is filed with the court showing that a copy of such order has been mailed to the county treasurer and tax commission.

Section 28. Re-hearing Upon the Record. The tax commission or any person dissatisfied with the appraisal or assessment and determination of such tax, may apply for a re-hearing thereof before the county court within thirty days after the fixing, assessing and determination of the tax by the county court as herein provided on filing a written notice which shall state the grounds of the application for a re-hearing. The rehearing shall be upon the records, proceedings, and proofs had and taken on the hearings as herein provided and a new trial shall not be had or granted unless specially ordered by the county court. Upon an appeal from an determining such tax a trial de novo shall be had in the district court.

Section 29. When Tax is Unpaid, Duties of Officers. If the treasurer of any county shall have reason to believe that any tax is due and unpaid under this act after the refusal or neglect of any person liable therefor to pay the same, he shall notify the state's

attorney of the county, in writing, of such failure or neglect and such state's attorney, if he have probable cause to believe that such tax is due and unpaid, shall apply to the county court for a citation, citing the person liable to pay such tax to appear before the court on the day specified therein, and show cause why the tax should not be paid.

Section 30. County Court May Issue Citation. The judge of the county court upon such application and whenever it shall appear to him that any such tax, accruing under this act, has not been paid as required by law shall issue such citation and the service of such citation and the time, manner and proof thereof and the hearing and determination thereof shall conform as nearly as may be to the provisions of the laws governing probate practice of this state, and whenever it shall appear that any such tax is due and payable and the payment thereof cannot be enforced under the provisions of this act in said county court, the person or corporation from whom the same is due is hereby made liable to the county of the county court having jurisdiction over such estate or property for the amount of such tax, and it shall be the duty of the state's attorney of said county, in the name of such county, to sue for and enforce the collection of such tax, and it is made the duty of said state's attorney to appear for and act on behalf of any county treasurer, executor, administrator, or trustee, in any action for the collection of such tax.

Section 31. Public Administrator May Administer, When. Where no application for administration on the estate of any deceased person is made within sixty days after the demise of such person, and if such estate appears to come under the provisions of the inheritance tax laws, the public administrator of the proper county shall make application for and shall be entitled to such general or special administration of such estate as may be necessary for the purpose of the adjustment and payment of the inheritance tax provided by law and shall for that purpose administer the same as other estates are administered.

Section 32. Where Transfers Are Made in Contemplation of Death. Where it appears that the estate of a deceased person subject to the inheritance tax laws was transferred in contemplation of the death of the grantor without the adjustment and payment of the inheritance taxes and no application for adjustment is made within sixty days after the demise of such grantor, the public administrator of the proper county shall make application for and shall be entitled to such general or special administration as may be necessary for the purpose of the adjustment and payment of the inheritance taxes provided by law and shall administer such estate the same as other estates are administered as though such estates had not been transferred by the grantor.

Section 33. Public Administrator to Appear; Compensation; Supervision of Tax Commission. It shall be the duty of the public administrator, under the general supervision of the tax commission and with the assistance of the state's attorney, when required by the tax commission or county judge, to investigate the estates of deceased persons within his county and to appear for and act in behalf of the county and state in the county court in such estates as the court may in its discretion deem necessary, and for such services the public administrator shall be entitled to five per centum of the gross inheritance tax as determined in each such estate, to be paid by the county treasurer out of the inheritance tax funds upon an order of the county judge, provided that the minimum fee for each such estate shall not be less than five dollars and the maximum fee not more than twenty-five dollars.

Section 34. Tax Commission to Investigate Inheritance Tax Matters. It shall be the duty of the tax commission to investigate and cause to be investigated the administration of the inheritance tax laws, and such particular estates to which the inheritance tax laws apply, throughout the various counties of the state, and to cause to be made and filed in its offices reports of such investigation together with specific information and facts as to particular estates that may seem to require special consideration and attention by the legal department of the state.

Section 35. Tax Commission to Give Directions. It shall be the duty of the legal department of the state to carry out and enforce the recommendations and directions of the tax commission in all matters pertaining to the conduct of inheritance tax affairs.

Section 36. Reports of County Treasurer; Tax to be Paid to State. Each county treasurer shall make a report under oath to the state treasurer at the same time and in the same manner as other taxes are reported, of all taxes received by him under the inheritance tax laws, stating for what estates and by whom and when paid. The form of such report may be prescribed by the state treasurer. He shall at the same time pay the state treasurer all taxes received by him under the inheritance tax laws and not previously paid into the state treasury, and for all such taxes collected by him and not paid into the state treasury within five days from the times herein required, he shall pay interest at the rate of ten per centum per annum.

Section 37. Composition of Tax in Expectant Estates. The public administrator with the consent of the tax commission expressed in writing is authorized to enter into an agreement with the executor, administrator, or trustee of any estate therein sit-

uated, in which remainders or expectant estates have been of such a nature or so disposed and circumstanced that the taxes therein were held or presently payable where the interests of the legatees or devisees are not ascertainable under the provisions of this act, and to compound such taxes upon such terms as may be deemed equitable and expedient and to grant discharges to said executors, administrators, or trustees upon the payment of the taxes provided for in such composition; provided, however, that no such composition shall be conclusive in favor of said executors, administrators, or trustees as against the interests of said cestui que trust as may possess either present rights of enjoyment or fixed, absolute, or indefeasible rights of future enjoyment, or of such as would possess such rights in the event of the immediate termination of particular estates, unless they consent thereto either personally when competent or by guardian. Composition or settlement made or effected under the provisions of this section shall be executed in triplicate and one copy shall be filed in the office of the state treasurer; one copy in the office of the judge of the county court of the county in which the tax was paid; and one copy to be delivered to the executors, administrators, or trustees, who shall be parties thereto.

Section 38. Transfer Receipts May Be Recoveded. Any person shall upon the payment of the sum of fifty cents, be entitled to a receipt from the county treasurer of any county, or at his option to a copy of a receipt that may have been given by such county treasurer for the payment of any tax under this act, under the official seal of such county treasurer, which receipt shall designate upon whose estate such tax shall have been paid, by whom, and whether in full of such tax. Such receipt may be recorded in the miscellaneous records in the office of the register of deeds of the county in which any real estate belonging to such estate is situate.

Section 39. Tax How Applied: Deductions. All taxes levied and collected under this act, less any expenses of collection, and the deduction authorized under this act, shall be paid into the treasury of the state for the use of the state, and shall be applicable to the expenses of the state government and to such other purposes as the legislature may by law direct.

Section 40. Terms Defined. The words "estate" and "property" as used in this article, shall be taken to mean the property or interest therein passing or transferred to individual or corporate legatees, devisees, heirs, next of kin, grantees, donees, or vendees, and not as the property or interest therein of the decedent, grantor, donor, or vendor and shall include all property or interest therein, whether situated within or without this state.

The words "tangible property" as used in this article shall be taken to mean corporeal property such as real estate and goods, wares and merchandise, and shall not be taken to mean money, deposits in bank, shares of stock, bonds, notes, credits or evidences of an interest in property or evidences of debt. The words "intangible property" as used in this article shall be taken to mean incorporeal property, including money, deposits in bank, shares of stock, bonds, notes, credits, evidences of an interest in property and evidences of debt. The word "transfer," as used in this article, shall be taken to include the passing of of facts shall be submitted to said commissioner of insurance in property or any interest therein in the possession or enjoyment, present or future, by inheritance, descent, devise, bequest, grant, deed, bargain, sale or gift in the manner herein prescribed. The words "county treasurer" and "state's attorney," as used in this article, shall be taken to mean the treasurer or the state's attorney of the county of the court having jurisdiction. The words "the intestate laws of this state," as used in this article, shall be taken to refer to all transfers of property; or any beneficial interest therein, effected by the statute of descent and distribution and the transfer of any property or any beneficial interest therein, effected by operation of law upon the death of a person omitting to make a valid disposition thereof.

Section 41. Computations of Life Estates, Annuities, Etc.

- The present value of every estate, annuity, or interest of beneficiaries for all purposes in every estate and in all courts, shall be computed in accordance with the American experience table of mortality and interest at the rate of five per cent per annum. The commissioner of insurance shall compute the present value of the estates or interests of several beneficiaries when the necessary statement of facts is submitted to him upon request or order of any court or judge having jurisdiction. The said statements such form as he may prescribe. Provided, however, that the American experience table of mortality shall be used. In all cases the sum of the present value of the several parts, estates, or interests of the several beneficiaries shall equal the net of the entire estate.

The commissioner of insurance shall cause to be printed authorized annuity tables based on the American experience table of mortality, at five per cent interest, together with instructions for their use in accordance with the foregoing provisions and shall furnish copies thereof to any judge making application therefor.

COURTS DECISIONS ON THE CONSTITUTIONALITY OF INHERITANCE TAX LAWS.

Federal Decisions on Federal Tax.

The act of Congress of June 13th, 1898, contained provisions for the taxation of legacies and distributive shares of personal property, graduated both according to relationship and also as to amount. This law was attacked with respect to its progressive feature, not as being repugnant to the express limitation in the federal constitution, but as being arbitrary and confiscatory and therefore repugnant to fundamental principles of equity and justice. The supreme court of the United States in 1900 in passing upon this federal statute said in the case of Knowlton vs. Moore, 178 U. S. 41:

"The review which we have made exhibits the fact that taxes imposed with reference to the ability of the person upon whom the burden is placed to bear the same have been levied from the foundation of the Government. So, also, some authoritative thinkers and a number of economic writers contend that a progressive tax is more just and equal than a proportional one. In the absence of constitutional limitation, the question whether it is or is not is legislative and not judicial. The grave consequences which it is asserted must arise in the future, if the right to levy a progressive tax be recognized, involves in its ultimate aspect the mere assertion that free and representative government is a failure, and that the grossest abuses of power are foreshadowed unless the courts usurp legislative function. If a case should ever arise where an arbitrary and confiscatory exaction is imposed bearing the guise of a progressive or any other form of tax, it will be time enough to consider whether the judicial power can afford a remedy by applying inherent and fundamental principles for the protection of the individual, even though there be no express authority in the Constitution to do so. That the law which we have construed affords no ground for the contention that the tax imposed is arbitrary and confiscatory is obvious."

Federal Decisions on State Tax.

A decision of the supreme federal court reported as U. S. vs. Perkins, 163 U. S., 625, is very interesting owing to the fact that the federal government was a beneficiary under the terms of a will, and such bequest came under the provisions of the New York inheritance tax law which imposed a tax on the property devised to the United States. Could a state tax federal property? The court held the tax valid, stating that it was not a tax upon property, but upon its transmission. We could not do better than to quote the language of the court:

"While the laws of all civilized states recognize in every citizen the absolute right to his own earnings, and to the enjoyment of his own property, and the increase thereof, during his life, except so far as the State may require him to contribute his share for public expenses, the right to dispose of his property by will has always been considered purely a creature of statute and within legislative control. * * * * * Though the general consent of the most enlightened nations has, from the earliest historical period, recognized a natural right in children to inherit the property of their parents, we know of no legal principle to prevent the legislature from taking away or limiting the right of testamentary disposition or imposing such conditions upon its exercise as it may deem conducive to public good. In this view, the so-called inheritance tax of the State of New York is in reality a limitation upon the power of a testator to bequeath his property to whom he pleases; a declaration that, in the exercise of that power, he shall contribute a certain percentage to the public use; in other words, that the right to dispose of his property by will shall remain, but subject to a condition that the state has a right to impose. Certainly, if it be true that the right of testamentary disposition is purely statutory, the state has a right to require a contribution to the public treasury before the bequest shall take effect. Thus the tax is not upon the property, in the ordinary sense of the term, but upon the right to dispose of it, and it is not until it has yielded its contribution to the State that it becomes the property of the legatee. * * * * * That the tax is not a tax upon the property itself, but upon its transmission by will or by descent, is also held both in New York and in several other states."

Thus we see that the federal courts rule that a state inheritance tax is based upon two principles. First, that such a tax is not one on property, but one on the succession. Second, that the right to take property by descent is the creature of the law, and not a natural right. It is a privilege and the authority which confers it, may impose conditions upon it. From these principles it is deduced that the states may tax the privilege, discriminate between relatives, and between these and strangers, and grant exemptions and are not precluded from this power by the provisions of the respective state constitutions requiring uniformity of taxation. *Magoun vs. Illinois Bank*, 170 U. S., 283.

The state of Illinois passed an inheritance tax law exempting small estates giving preference based upon relationship and provided progressive rates. This law was attacked on the ground that the constitution of the United States prohibits a state denying to any citizen equal protection of the laws. Such a question arising, the supreme court of the United States naturally was called upon to finally settle the questions. We quote from the decision of the court to give its reasoning:

"The clause of the fourteenth amendment especially invoked in that which prohibits a state denying to any citizen the equal protection of the laws. What satisfies this equality has not been and probably never can be precisely defined. * * * * * It may be safely said that the rule prescribes no rigid equality and permits to the discretion and wisdom of the State a wide latitude as far as interference by this court is concerned. * * * The rule, therefore, is not a substitute for municipal law: it only prescribes that that law have the attribute of equality of operation, and equality of operation does not mean indiscriminate operation on persons merely as such, but on persons according to their relations. In some circumstances it may not tax A more than B, but if A be of a different trade or profession than B, it may. And in matters not of taxation, if A be a different kind of corporation than B, it may subject A to a different rule of responsibility to servants than B. * * * * * In other words the State may distinguish, select, and classify objects of legislation, and necessarily this power must have a wide range of discretion. It is not without limitation, of course. * * * * * Two principles, therefore, must be reconciled in the Illinois Inheritance law if it is to be sustained the equality of protection of the laws guaranteed by the fourteenth amendment, and the power of the State to classify persons and property. The latter principle needs further consideration. What test is there of the reasonableness of a classification—of one based upon "some difference which bears a just and proper relation to the attempted classification—and is not a mere arbitrary selection?" Legislation special in character is not forbidden by it, as we have seen. * * * * * There is therefore no precise application of the rule of reasonableness of classification, and the rule of equality permits many practical inequalities. And necessarily so. In a classification for governmental purposes there cannot be an exact exclusion or inclusion of persons and things. Bearing these considerations in mind we can solve the questions in controversy. There are three main classes in the Illinois statute, the first and second being based respectively, on lineal and collateral relationship to the testator or intestate, and the third being composed of strangers to his blood and distant relatives. The latter is again divided into four subclasses dependent upon the amount of the estate received. The first two classes, therefore, depend on substantial differences which may distinguish them from each other and them or either of them from the other class—differences, therefore, which "bear a just and proper relation to the attempted classification." * * * * * And if the constituents of each class are affected alike, the rule of equality prescribed by the cases is satisfied. In other words, the law operates "equally and uniformly upon all persons in similar circumstances." * * * * * Nor do the exemptions of the

statute render its operation unequal within the meaning of the fourteenth amendment. * * * * *

'The provisions of the statute in regard to the tax on legacies to strangers to the blood of an intestate need further comment. * * * There are four classes created, and manifestly there is equality between the members of each class. Inequality is only found by comparing the members of one class with those of another. It is illustrated by appellant as follows: One who receives a legacy of \$10,000 pays 3 per cent, or \$300, thus receiving \$9,700 net; while one receiving a legacy of \$10,001 pays 4 per cent on the whole amount, or \$400.04, thus receiving \$9,600.96, or \$99.04 less than the one whose legacy was actually one dollar less valuable. * * * * * If there is unsoundness it must be in the classification. The members of each class are treated alike—that is to say, all who inherit \$10,000 are treated alike; all who inherit any other sum are treated alike. There is equality, therefore, within the classes. If there is inequality it must be because the members of a class are arbitrarily made such and burdened as such upon no distinctions justifying it. * * * * But neither case can be said to be contrary to the rule of equality of the fourteenth amendment. That rule does not require, as we have seen, exact equality of taxation. It only requires that the law imposing it shall operate on all alike under the same circumstances. The tax is not on money; it is on the right to inherit; and hence a condition of inheritance, and it may be graded according to the value of inheritance. The condition is not arbitrary because it is determined by that value; it is not unequal in operation because it does not levy the same percentage on every dollar; does not fail to treat "all alike under the circumstances and conditions, both in the privilege conferred and the liabilities imposed." *Magoun vs. Illinois Bank*, 170 U. S., 283 (1897).'

This same law of Illinois imposes an inheritance tax on a life tenant. Is such a provision valid? Five years after the decision of the *Magoun* case the same court again passed on the inheritance tax law of Illinois. The classification of persons was attacked as unreasonable and arbitrary and that it denies the life tenant equal protection of the laws of Illinois. On this attack in the case of *Billings vs. Illinois*, 188 U. S., 97, the supreme court of the United States said:

"The assignment of error is 'that the statute is in contravention of the fourteenth amendment to the constitution of the United States of America, in that the classification of life tenants is arbitrary and unreasonable, and denies to the plaintiffs in error, as life tenants, the equal protection of the laws; because the statute, as interpreted and enforced by the State courts, taxes life estates where the remainder is to lineals, but does not tax, and expressly exempts, similar life estates where the remainder

is to collaterals or to strangers in blood.' * * * * * If there had been a proper classification there could not have been the denial of the equal protection of the laws, and we, therefore, expressed (in *Magoun vs. Illinois Bank*) and illustrated the principle upon which it should be based. We said it was established by cases that classification must be based on some reasonable ground. It could not be a "mere arbitrary selection." But what is the test of an arbitrary selection? It is difficult to exhibit it precisely in a general rule. Classification is essentially the same in law as it is in other departments of knowledge or practice. It is the grouping of things in speculation or practice, because they 'agree with one another in certain particulars and differ from other things in those same particulars.' Things may have very diverse qualities and yet be united in a class. They may have very similar qualities and yet be cast in different classes. * * * * * Other illustrations may be taken from the cases, which tend to the same end. If the purpose is within the legal powers of the legislature, and the classification made has relation to that purpose (excludes no persons or objects that are affected by the purpose, includes all that are), logically speaking, it will be appropriate; legally speaking, a law based upon it will have equality of operation. * * * * * Undoubtedly, life tenants regarded simply as persons, may be in legal contemplation the same; estates for life regarded simply as estates with their attributes also in legal contemplation may be said to be the same, but that is not all that is to be considered, nor is it determinative. We must regard the power of the State over testate and intestate dispositions of property; its power to create and limit estates, and, as resulting, its power to impose conditions upon their transfer or devolution. It is upon this power that inheritance tax laws are based, and we said, in the *Magoun* case, that the power could be exercised by distinguishing between the lineal and collateral relatives of a testator. There the amount of tax depended upon him who immediately received: here the existence of the tax depends upon him who ultimately receives. That can make no difference with the power of the state. No discrimination being exercised in the creation of the class, equality is observed. Crossing the lines of the classes there is equality." *Billings vs. Illinois*, 188 U. S., 97, (1902).

The state of California has a very good inheritance tax law based upon an outline drafted by a committee of the International Tax Association in 1910. This law provides for certain exemptions in favor of certain strangers to the blood as the wife of decedent or a widow of the son or the husband of a daughter of decedent. Does the fourteenth amendment to the federal constitution compel states in levying inheritance taxes to conform to blood relationship? This question was settled in 1905 in the

United States supreme court in the case of *Campbell vs. California*, 200 U. S., 87. In this case the court said:

"The contention is that the assailed law of California was repugnant to the fourteenth amendment, because it subjected to the burdens of an inheritance tax or charge, brothers and sisters of a decedent and did not subject to any burden such strangers to the blood as the wife or widow of a son or the husband of a daughter of a decedent. We do not stop to refer in detail to the many forms of argument by which the contention is sought to be sustained; but content ourselves with stating that, whatever be the form in which the propositions relied on are advanced, they all reduce themselves to and must depend upon the soundness of the contention that the fourteenth amendment compels the State, in levying inheritance taxes, and, a fortiori, in regulating inheritances, to conform to blood relationship. That is to say, in their last analysis all the arguments depend upon the proposition that the fourteenth amendment has taken away from the States their power to regulate the passage of property by death or the burdens which may be imposed resulting therefrom, because that amendment confines the States absolutely, both as to the passage of such property and as to the burdens imposed thereon, to the rule of blood relationship. To state the proposition is to answer it. Its unsoundness is demonstrated by previous decisions of this court. (*Magoun vs. Illinois Trust and Savings Bank*, 170 U. S., 283; *Orient Insurance Co., vs. Daggs*, 172 U. S., 557, 562.) It is true that in the first of the cited cases it was expressly declared or impliedly recognized that in the exercise by the State of its undoubted power to regulate the burdens which might be imposed on the passage of property by death, a case might be conceived of where a burden would be so arbitrary as to amount to a denial of the equal protection of the laws. But this suggestion did not imply that the effect of the fourteenth amendment was to control the States in the exercise of their plenary authority to regulate inheritance and to determine the persons or objects upon which an inheritance burden should be imposed. In this case there can be no doubt, if the right of a State be conceded to select the persons who may inherit or upon whom the burden resulting from an inheritance may be imposed, the complaint against the statute is entirely without merit. The whole case, therefore, must rest upon the assumption that because the State of California has not followed the rule of blood relationship, but as to particular classes has applied the rule of affinity by marriage, therefore the constitutional provision guaranteeing the equal protection of the laws was violated. But, unless the effect of the fourteenth amendment was inexorable to limit the States in enacting inheritance laws to the rule of blood relationship, such a regulation plainly involved the exercise of merely arbitrary power. To illustrate: It

assuredly would not be an arbitrary exercise of power for a State to put in one class, for the purpose of inheritance or the burdening of the privilege to inherit, all blood relatives to a designated degree, excluding brothers and sisters, and to place all other and more remote blood relatives, including brothers and sisters, in a second class along with strangers to the blood. This being true, it cannot, without causing the equality clause of the fourteenth amendment to destroy the powers of the States on a subject of a purely local character, be held that a classification which takes near relatives by marriage and places them in a class with lineal relatives is so arbitrary as to transcend the limits of governmental power. If this were not true, State legislation preferring a wife in the distribution of the estate of her husband to a brother or sister of the husband would be void as repugnant to the fourteenth amendment. So also would be the provision in the California statute we are considering, preferring an adopted child of a decedent to a brother or sister. With the motives of public policy which may induce a State to prefer near relatives by affinity to collateral relatives, we are not concerned, since the fourteenth amendment does not deprive a State of the power to regulate and burden the right to inherit, but at the most can only be held to restrain such an exercise of power as would exclude the conception of judgment and discretion, and which would be so obviously arbitrary and unreasonable as to be beyond the pale of governmental authority." *Campbell vs. California*, 200 U. S., 87 (1905).

State Decisions on State Taxes.

As above stated, we find that the federal courts uphold a state inheritance tax law which provides for exemptions from the tax, which varies the rate according to relationship, and which provides for a progressive increase in the rate according to the amount, when the same has been attacked as violating the rule of uniformity. As the rule of uniformity is the only one raised by the state constitutions it is thought advisable to treat of this subject from the standpoint of state decisions.

The legislature of New York passed an act in 1885 establishing an inheritance tax. It was immediately attacked as violating the rule of uniformity under the New York constitution. The court of last resort in that state upheld the law in the case of *In re McPherson*, 104, N. Y., 306. In writing the decision the court said:

"We entertain no doubt that such a tax can be constitutionally imposed. The power of the legislature over the subject of taxation, except as limited by constitutional restrictions, is unbounded. It is for that body, in the exercise of its discretion, to select the objects of taxation. It may impose all the taxes upon lands, or all upon personal property, or all upon houses or upon incomes.

It may raise revenue by capitation taxes, by special taxes upon carriages, horses, servants, dogs, franchises, and upon every species of property and upon all kinds of business and trades. (*People vs. Mayor of Brooklyn*, 4 N. Y., 419; *Stuart vs. Palmer*, 74 Id., 183; *People vs. Equitable Trust Co.*, 96 Id., 387; *Portland Bk. vs. Aphorp*, 12 Mass., 252; *Cooley on Taxation*, 7). Taxes upon legacies and inheritances have been approved generally by writers upon political economy and systems of taxation, and no tax can be less burdensome and interfere less with the productive and industrial agencies of society. Such taxes were imposed in Rome two thousand years ago, and are now imposed in England and several of the continental countries of Europe, and in the states of Pennsylvania, Maryland and Virginia, and perhaps other states of this country. * * * * It is not very important to determine in this case whether the act of 1885 is to be regarded as imposing a tax upon property or upon the succession or devolution of property by will or intestacy. In either case it is a special tax. In one case it is a tax upon the particular class of property, and in the other case a tax upon the succession or devolution of property, or the right to receive property in the cases mentioned in the statute. Whether it be one or the other it is free from constitutional objection. It has never been questioned that the legislature can impose a tax upon all sales of property, upon all incomes, upon all acquisitions of property, upon all business and upon all transfers. Taxes of a similar character were quite extensively imposed by the acts of Congress passed during the late civil war. If this be regarded as a tax upon property, then it is free from constitutional objection if it be equally imposed and properly apportioned upon all of the property of the class to which it belongs."

Massachusetts passed such a law which provided for progression as to exemptions, relationship and rates. The courts of that state sustained the law in its entirety as not violating the state constitution wherein it required uniformity. As the language of the court states our position quite clearly we will reproduce a portion of the decision:

"The tax imposed by the statute we are considering is said to be unequal, because it is not imposed upon all estates, and upon all heirs, devisees, legatees, and distributees. To make a distinction between collateral kindred or strangers in blood and kindred in the direct line in reference to the assessment of such a tax, either by exempting the kindred in the direct line or by imposing upon collaterals and strangers a higher rate of taxation, has the sanction of nearly all states which have levied taxes of this kind. It has a sanction in reason, for the moral claim of collaterals and strangers is less than that of kindred in the direct line, and the privilege is therefore greater. The tax imposed by this statute is uniformly imposed upon all estates and all persons

within the description contained in it, and the tax is not plainly and grossly oppressive in amount.'

'It is also contended that the tax is unreasonable on account of the exemption contained in the proviso of the first section of the statute, "that no estate shall be subject to the provisions of this act, unless the value of the same, after the payment of all debts, shall exceed the sum of ten thousand dollars." In all, or nearly all, systems of taxation there are some exemptions; but the objection here is that estates whose value, after payment of all debts, shall not exceed ten thousand dollars are exempt, without regard to the value of the property received by the devisees, legatees, heirs, or distributees. It is argued that the excise, if upon the privilege of taking property by will or descent, should be the same whenever the privilege enjoyed is the same in kind and extent, whatever may be the value of the estate, and that the exemptions should relate to the value of the property received by those who have the privilege of receiving it, and not to the value of the estate. But the right or privilege taxed can perhaps be regarded either as the right or privilege of the owner of property to transmit it on his death, by will or descent, to certain persons, or as the right or privilege of these persons to receive the property. The tax, too, has some of the characteristics of a duty on the administration of the estates of deceased persons. The cost of administering small estates is proportionately greater than that of administering large ones, and this of itself, particularly in intestate estates, operates to diminish the amounts received very much as the tax would. The statutes of the different states and nations, which have levied taxes on devises, and inheritances have usually made exemptions, and these have sometimes related to the value of the estates, and sometimes to the value of the property received by the heirs, devisees, or distributees. The exemption in the statute under consideration is certainly large as an exemption of estates, but it is peculiarly within the discretion of the legislature to determine what exemptions should be made in apportioning the burdens of taxation among those who can best bear them, and we are not satisfied that this exemption is so clearly unreasonable as to require us to decide the statute void." *Minot vs. Winthrop*, 162 Mass. 113. (1894).

So, too, in Tennessee in the case of *State vs. Alston*, 94 Tenn. 674, the supreme court of that state held that under the state constitution the progressive features did not violate the rule of uniformity, to-wit:

"We conclude that the tax is not unconstitutional because it discriminates between direct descendants and collateral kindred and strangers."

'Again it is said the tax is unconstitutional because of the \$250 exemption, and it is properly said the exemption is not of

\$250 out of all estates, but that estates under \$250 in value are exempted from any tax. In other words, an estate worth \$250 escapes taxation, but one of \$250 or over is subject to tax.'

'It is peculiarly within the province of the legislature to declare what privileges shall be taxed, and what exemptions may be allowed, in order to make taxes bear most lightly upon those least able to bear them, and the exemption of small estates is neither arbitrary, nor is it devoid of good reason, inasmuch as the expenses of administration are proportionately much greater in small than in large estates. In the various states, when such taxes are imposed, there is a similar exemption depending on the size or value of the estate.'

Later the inheritance tax law of the state of Illinois was passed upon by the supreme court of that state. It was attacked as violating the state constitutional provisions requiring uniformity in taxation. The court said:

"A tax which affects the property within a specific class is uniform as to that class, and there is no provision of the Constitution which precludes legislative action from assessing a tax on that particular class. By this act of the legislature six classes of property are created heretofore absolutely unknown. It is those classes of property depending upon the estate owned by one dying possessed thereof which the state may regulate as to its descent and the right to devise. The tax assessed on classes thus created is absolutely uniform on the classes upon which it operates, and, under the provisions of the statute, is to be determined by valuation, so that every person and corporation shall pay a tax in proportion to the value of his, her, or its property inherited; and it is not inconsistent with the principles of taxation fixed by the constitution and is clearly within the sections of the Constitution quoted. No want of uniformity with one living who owns property can be urged as a reason why the statute makes an inconsistent rule. No person inherits property or can take by devise, except by the statute; and the State having power to regulate this question, may create classes and provide for uniformity with reference to classes which were before unknown." *Kochersperger vs. Drake*, 167 Ill., 122, (1897).

Minnesota has been years getting such a law which would stand a constitutional test. Four enactments were declared unconstitutional, but the fifth effort proved valid. In passing on this last law the supreme court of that state said:

"Authority to classify persons and property for the purpose of taxation is well settled. When based upon some reasonable and practical rule, founded on such substantial difference of situation or circumstances as to reasonably suggest the propriety of a distinction, or based upon some rule of public policy, the courts sustain various forms of classifications. * * * * * Graduated or pro-

gressive taxation is intimately associated with that of classification, and perhaps amounts, substantially, to the same thing. The progressive rule is applied to the income tax, which in principle is identical with the inheritance tax, the only difference being that the income tax is one upon the property, while the inheritance tax is upon the right of succession. It is applied in different forms, not materially dissimilar to that fixed by the statute under consideration, in all States and countries where the income or inheritance tax is in force, the amount of the income or inheritance being made the basis for a different rate of taxation. The rule applied in our Sister States and by the Federal court sustains the statute under discussion, whether it be termed a classified or a progressive tax. It is in a sense arbitrary, but not so unreasonable or unfair as to justify interference by the courts." *State vs. Bazille*, 97 Minn., 11 (1905).

But the supreme court of South Dakota declared unconstitutional such a law as Minnesota now has and it is doubtful if the law in Minnesota would stand a constitutional test if properly attacked.

A special committee appointed by the International Tax Association to draft a model inheritance tax law, in a report made to the association at its meeting in Milwaukee in 1910 recommended certain progressions as to relationship and amounts and provided for exemptions. Wisconsin had a similar law which had been upheld by the supreme court of that state. Following is an extract of the opinion of the Wisconsin court which explains the features of the law and the reasons for upholding it:

"The progressive feature of the act involves greater difficulty. By this feature increased rates of taxation are imposed as the amount of the bequest increases. Thus, if one legatee receives \$25,000 and another in the same degree of kinship receives \$50,000, while they will both pay the same rate on \$25,000, the second legatee will pay a higher rate on his second \$25,000. It is said that this is rank discrimination, that there is no difference in situation justifying a difference in classification, and that classification of persons cannot be based on mere difference in ability to pay. If this question were an original one, it would seem serious. It is somewhat persuasive to note that railroad license taxes have been levied upon the progressive plan, increasing as the earnings per mile increase since 1876 without question, and that street railroads and electric-lighting companies are now subject to a like progressive rate of taxation. This fact would not, of course, be conclusive. The question has, however, been met in other courts, and it has been held with substantial uniformity that the progressive feature does not violate the general guarantees of equality and equal protection of the laws contained in the various state constitutions and in the fourteenth amendment to

the Constitution of the United States. The decision of the Supreme Court of the United States as to the force of the fourteenth amendment is necessarily conclusive, and as the general equality guaranties of our own Constitution are substantially the equivalent of the equal protection of the laws guaranteed by the fourteenth amendment, we are content to follow the decisions of the United States Supreme Court, and hold that the progressive feature does not violate the Constitution." *Nunnemacher vs. State*, 129 Wis., 190, (1906.)

The constitution of North Dakota provides that "laws shall be passed taxing by uniform rule all property." This is the general constitutional provision in the states of the union. The decisions above discussed would apply to our own state when passing on the constitutionality of an inheritance tax law.

CHAPTER 14.

RECOMMENDATIONS.

In accordance with the suggestions contained in Chapter 5 of this report, relating to the classification of property, it is urged that the legislature pass the concurrent resolution, passed by the twelfth legislative assembly, amending Section 176 of the constitution in such manner as to permit classification of property for purposes of taxation and requiring uniformity within the class.

For the reasons set forth on page 57 of this report we recommend that the provisions of the statute covering the assessment of bank stock, which authorizes the subtraction of five per cent of the loans and discounts from the surplus and reserve funds and undivided profits be stricken from the statute.

For the reasons set forth on page 59 of this report we recommend that the provision of the statute regulating the assessment of bank stock which authorizes the subtraction of the net investment in real estate be so amended as to limit the total amount of investment in real estate that may be deducted to the amount the bank is authorized to invest under Chapter 54 of the Laws of 1911.

For the reason set forth on page 61 of this report we recommend that Section 1528 be amended in such a way as to authorize the review of individual assessments of bank stock by the county board of review and equalization, thus making it possible for the county board of review and equalization to alter individual assessments of bank stock in various taxing districts, whereas now, they may only equalize between districts, except in the unorganized townships.

We further recommend that Section 1508 of the Code of 1905 be so amended as to apply expressly to the assessment of stock in savings banks and trust companies. See page 62 of this report.

We recommend that Section 1503 of the Code of 1905 be so amended as to provide the following formula for the valuation of "corporate excess," market value or actual value of stock plus indebtedness, except for current expenses, minus the value of real and personal property, or preferably that the section be entirely repealed. See pages 67 to 71.

For the reasons set forth in Chapter 8 we recommend the passage of a law similar to the law, passed by the legislature of

the state of Kansas in 1908, safeguarding the finances of the state and of the various municipalities pending readjustment on a higher level of valuation. Such a law will be submitted to the legislature by the tax commission.

There is no recommendation that the commission will make which it regards of as much importance as the recommendation for the establishment of the county assessor system. A bill will be prepared containing the features of the plan discussed in Chapter 9 of this report, and the careful attention of the legislature is earnestly solicited.

We recommend that steps be taken to centralize the authority over the accounting system of all municipalities and state institutions, according to the plan suggested on page 106 of this report.

We recommend the passage of an act which will provide for the furnishing of information to the tax commission relative to the true consideration in all transfers of real estate by warranty deed, such information being confidential and to be used for the purpose of ascertaining values. See page 119.

We recommend that Section 1496 of the Code of North Dakota, which provides for a schedule of items, be so amended as to provide that the schedule may be altered by the tax commission, when, in its judgment, a change is deemed advisable in order to insure the fulfillment of the purpose of the law requiring the assessment of all property at its value. See page 121.

The tax commission joins with the probate code commission in recommending the adoption of the proposed inheritance tax law, set forth herein at pages 130-143. Commissioner Birdzell qualifies his endorsement. See page 128.



TABLE COMPILED BY THE PUBLIC EXAMINER SHOWING EXPENDITURES AND FINANCIAL CONDITION OF COUNTIES

County	Bonded Indebtedness	Sink Fund Time Deposits	Warrants Outstanding 6-30-12	Co. Auditor Dep. and Clerks	Co. Treas. Dep. and Clerks	Register of Deeds Dep. and Clerks	Co. Judge and Clerks
Adams	\$ 99,500.00	\$ 13,330.70	\$ 10,202.82	\$ 2,898.00	\$ 1,500.00	\$ 2,058.98	\$ 1,266.86
Barnes	30,000.00	10,800.00	.....	5,039.65	3,836.00	4,232.00	2,755.34
Benson	.....	.....	.....	3,473.92	2,451.34	3,512.53	2,518.63
Billings	63,000.00	9,649.68	27,073.15	3,925.26	3,709.58	3,860.98	1,649.99
Bottineau	88,000.00	54,000.00	666.22	4,241.03	3,622.42	4,913.80	2,883.30
Bowman	128,000.00	.....	17,100.88	2,100.00	1,916.00	3,060.16	1,200.00
Burke	25,000.00	12,500.00	41,569.59	3,825.92	3,430.00	3,548.50	1,527.70
Butte	164,000.00	76,870.00	1,743.53	3,713.02	3,589.53	4,059.07	1,713.87
Cass	16,000.00	2,000.00	1,037.50	7,442.74	5,716.92	5,641.57	4,284.54
Cavalier	20,000.00	7,000.00	308.39	4,644.00	4,482.00	3,919.82	2,740.00
Dickey	65,000.00	8,000.00	28.65	2,873.46	2,649.96	2,299.92	3,000.00
Divide	81,556.39	6,000.00	37,333.30	5,211.96	3,413.21	3,911.44	1,479.96
Eddy	.....	.....	9,637.97	1,945.41	1,760.00	1,977.73	1,479.96
Emmons	15,000.00	6,000.00	3,087.92	2,050.00	1,775.00	1,883.37	1,099.32
Foster	80,000.00	34,901.00	254.23	2,383.00	2,180.00	2,417.00	1,400.00
Grand Forks	75,000.00	10,257.75	6,278.77	2,380.00	2,380.01	2,380.00	1,300.00
Griggs	.....	.....	589.14	6,913.66	6,013.96	4,999.92	3,595.92
Hettinger	30,000.00	30,000.00	98.95	2,840.00	2,310.00	2,440.00	1,500.00
Kidder	69,000.00	7,950.00	10,579.16	2,295.50	2,100.00	3,584.88	1,099.99
LaMoure	26,000.00	12,000.00	1,005.43	2,236.37	2,208.96	2,577.21	1,274.96
Logan	50,000.00	7,200.00	57.36	3,519.00	2,863.00	2,777.00	2,602.01
McHenry	18,000.00	12,000.00	624.07	1,845.65	1,768.65	2,200.27	1,174.94
McIntosh	60,000.00	6,159.86	9,845.91	4,720.00	4,029.00	4,490.00	3,460.00
McKenzie	25,000.00	6,000.00	.....	1,733.71	1,772.21	2,289.96	1,273.01
McLean	.....	.....	36,121.91	2,251.42	1,741.62	2,233.13	1,948.82
Mercer	67,000.00	23,800.00	1,151.20	3,927.16	3,779.36	5,862.77	1,707.60
Morton	24,800.00	8,000.00	16,936.88	1,759.92	1,012.20	2,299.65	900.00
Mountrail	56,000.00	16,000.00	113,928.08	4,802.36	4,457.57	4,704.13	2,289.93
Nelson	40,000.00	.....	62,228.07	4,258.55	2,679.96	5,249.23	1,299.96
Oliver	36,000.00	62,000.00	291.40	3,630.00	2,916.00	2,965.50	1,661.15
Pembina	5,000.00	1,100.00	17,163.09	1,706.39	1,200.00	1,238.31	828.33
Pierce	100,000.00	.....	15,090.29	3,829.98	3,722.00	3,046.04	2,420.04
Ransom	88,000.00	6,000.00	13,926.18	3,046.20	2,412.65	2,907.18	2,040.00
Ramsay	53,000.00	10,290.00	2,272.25	4,333.00	3,446.00	3,735.00	2,105.00
Richmond	40,000.00	16,000.00	838.70	2,966.85	2,750.00	2,920.00	2,524.00
Rolette	37,500.00	30,600.00	39,785.13	3,554.16	3,783.91	3,693.00	2,357.16
.....	.....	.....	504.33	5,470.23	1,908.96	2,319.96	1,274.96
.....	71,000.00	.....	7,754.00	2,319.96	.....	.....	.....

Sargent	88,000.00	26,000.00	3,779.00	3,027.00	2,700.00	2,358.00	1,740.00
Sheridan	50,000.00	9,500.00	124,516.97	2,543.88	2,402.73	3,891.85	1,421.85
Stark	6,500.00	4,731.50	49.80	2,885.02	2,150.02	3,943.81	1,580.02
Steele	15,000.00	8,000.00	3,552.97	2,436.44	2,075.00	2,080.00	1,500.00
Stutsman	32,500.00	.....	1,091.48	6,009.50	4,437.58	4,759.96	3,400.00
Towner	29,000.00	6,000.00	607.46	2,892.50	3,030.00	3,154.00	1,615.00
Trall .....	.....	.....	1,108.05	2,925.00	2,720.00	2,435.00	2,450.00
Walsh	200,000.00	25,000.00	121,668.37	4,409.94	3,689.94	4,059.96	2,959.92
Ward	86,500.00	86,500.00	433.42	9,073.85	5,832.00	7,179.91	4,649.96
Wells	42,000.00	22,000.00	86,466.41	3,189.41	2,796.96	2,898.92	2,859.96
Williams	133,500.00	9,000.00	.....	5,374.79	4,031.70	6,608.12	2,583.92
Total				\$ 176,496.87	\$ 145,757.88	\$ 108,703.21	\$ 99,842.31

REPORT OF TAX COMMISSION

TABLE COMPILED BY THE PUBLIC EXAMINER SHOWING EXPENDITURES AND FINANCIAL CONDITION OF COUNTIES
—Continued

County	States Atty. Asst. and Expenses	Supt. of Schs. Dep. and Mileage	Clerk of Dist. Court and Dep.	Sheriff, Dep. and Balliffs	County Comm's'rs	County Poor	Poor Farm
Adams	\$ 1,083.32	\$ 1,888.02	\$ 900.00	\$ 1,157.90	\$ 1,449.25	\$ 1,002.87	.....
Barnes	3,238.32	5,134.86	2,742.42	3,362.16	1,672.61	2,009.99	10,915.36
Benson	2,219.39	2,748.64	1,439.51	3,037.16	2,129.15	3,682.56	.....
Billings	1,635.85	3,402.34	1,601.54	6,906.21	1,708.20	3,748.89	.....
Bottineau	2,852.38	3,543.70	2,521.21	3,419.85	1,967.65	7,624.76	.....
Bowman	1,522.26	1,818.51	939.50	1,167.23	1,733.30	2,850.23	.....
Burke	2,561.76	2,873.70	1,457.30	2,175.87	2,141.55	3,555.78	.....
Burling	2,431.22	3,115.69	1,565.92	2,885.47	1,374.10	5,199.13	.....
Cass	3,545.56	5,026.08	4,692.32	1,758.36	2,637.30	6,423.68	17,667.43
Cavalier	3,589.80	4,342.73	2,140.00	2,693.84	1,825.50	4,062.14	.....
Dickey	1,587.45	2,776.63	1,339.96	1,941.57	2,001.04	2,721.28	.....
Divide	1,980.85	2,241.29	1,577.53	2,940.20	1,762.75	2,905.24	.....
Dunn	902.31	2,227.60	800.00	458.34	885.95	2,116.85	.....
Eddy	999.96	2,227.60	825.00	1,779.55	871.66	799.46	.....
Emmons	1,200.00	2,250.33	1,149.98	936.00	1,041.00	393.49	.....
Foster	1,200.00	2,578.76	1,265.00	638.36	804.30	631.45	.....
Grand Forks	3,359.88	5,119.88	3,199.92	3,100.52	5,101.15	848.72	19,399.31
Griggs	1,221.00	2,694.20	1,200.00	599.70	454.40	.....	.....
Hettinger	799.99	2,181.09	932.25	420.25	1,678.00	667.86	.....
Kidder	1,200.00	2,215.88	999.96	545.02	975.70	1,013.31	.....
LaMoure	1,782.20	2,911.89	1,468.01	910.05	2,188.45	2,317.01	.....
Logan	1,083.31	1,744.20	981.15	964.85	797.60	1,657.31	.....
McHenry	4,244.48	4,519.38	2,320.00	2,859.30	2,466.13	5,792.25	.....
McIntosh	1,358.75	1,731.52	1,008.96	1,183.68	518.70	207.17	.....
McKenzie	914.91	2,568.55	841.62	2,678.13	818.20	1,692.79	.....
McLean	2,474.97	3,400.00	1,619.21	2,275.92	1,170.35	1,779.00	.....
Mercer	826.07	1,269.20	804.11	1,068.85	771.90	1,17.73	.....
Morton	3,363.60	4,697.45	1,726.14	6,575.70	4,247.20	3,011.60	.....
Mountrail	1,761.15	2,777.77	1,338.04	2,771.69	2,480.80	1,857.96	.....
Nelson	2,483.22	3,066.20	1,526.50	2,873.55	1,762.36	3,348.48	.....
Oliver	600.00	1,184.08	600.00	313.85	500.72	278.77	.....
Pembina	2,090.26	3,107.57	1,682.54	1,875.50	3,498.90	8,447.01	.....
Pierce	1,589.20	2,619.60	1,912.15	2,997.60	1,950.20	2,407.25	.....
Ramsey	1,900.79	2,806.96	2,040.00	1,077.90	1,866.85	2,522.25	.....
Ransom	1,400.60	2,565.50	1,321.00	1,813.30	1,642.53	3,558.73	.....
Renville	1,949.91	2,815.08	1,133.57	2,418.93	1,676.05	2,833.01	.....
Richland	2,899.92	5,928.61	2,823.57	6,467.45	3,917.68	3,124.77	.....
711.38							

Bolette	1,288.95	2,057.48	1,207.21	717.12	2,051.09	1,532.59	.....
Sargent	1,236.75	2,542.98	1,500.00	1,204.95	903.05	2,914.91	.....
Sheridan	1,669.36	2,416.71	1,032.40	948.56	896.70	497.86	.....
Stark	1,475.30	2,853.16	1,250.02	1,389.70	1,545.85	810.99	.....
Steele	1,260.25	2,533.05	1,200.00	399.40	698.65	2,109.29	.....
Stutsman	2,861.88	5,601.18	2,431.21	1,977.26	1,222.45	4,237.07	.....
Towner	1,954.55	2,896.98	1,491.25	1,237.60	1,590.53	2,814.95	3,155.35
Trail	3,358.25	2,833.35	1,400.00	2,167.75	1,419.30	3,217.82	.....
Walsh	2,392.46	4,969.60	2,539.98	810.33	1,894.70	9,107.34	919.30
Ward	5,243.11	14,536.19	4,401.88	4,905.08	6,471.45	16,453.49	.....
Wells	1,740.00	2,893.99	1,673.71	1,386.00	1,679.60	3,652.87	3,175.90
Williams	2,836.14	4,097.64	2,964.82	5,724.86	2,919.60	3,841.33	.....
Total	\$ 99,299.01	\$ 160,208.13	\$ 81,543.77	\$ 105,850.92	\$ 90,035.03	\$ 150,137.95	\$ 61,683.26

TABLE COMPILED BY THE PUBLIC EXAMINER SHOWING EXPENDITURES AND FINANCIAL CONDITION OF COUNTIES

—Continued—

County	Boarding Prisoners	Insane and Feeble-m'd'd	Books and Stationery	Printing and Advertising	Roads and Bridges	Teachers Institutions	Wolf Bounty
Adams	\$281.00	\$	\$ 1,374.02	\$ 2,009.23	\$ 494.45	\$ 114.50	\$
Barnes	1,414.05	6,713.29	1,675.79	2,246.64	15,563.06		310.00
Benson	2,522.25	4,433.74	1,455.77	2,918.01	5,925.19	41.60	282.00
Billings	1,964.45	1,947.09	4,400.03	3,149.10	13,548.07		942.00
Bottineau	1,629.70	2,971.08	2,842.48	2,263.37	12,091.26	482.20	
Bowman	374.97		1,758.75	2,497.38	10,233.28	124.00	
Burke	895.05	2,914.97	1,689.84	2,164.33	2,324.71	218.10	
Burlingh	3,200.00	1,060.00	2,686.00	2,865.41	16,430.76	120.15	
Cass	3,419.70	1,313.90	5,167.86	2,665.15	16,780.62	893.96	
Cavalier	938.81	3,240.96	2,194.90	2,851.71	15,547.57	100.00	
Dickey	506.49	265.00	1,197.92	1,886.93	6,644.33	120.00	
Divide	332.85		8,632.83	2,740.27	1,022.70	133.80	
Dunn	106.30		735.83	943.34	12,171.32	39.60	
Eddy	597.72	2,280.50	920.45	1,912.60	4,021.94	165.00	
Emmons	232.96	1,826.55	1,222.78	1,935.78	4,537.66	185.44	
Foster	2,492.85	2,398.17	1,093.42	1,474.07	6,966.75	153.65	
Grand Forks	3,488.80	585.00	2,577.33	3,960.80	41,687.39	500.00	
Griggs	496.40	1,282.16	748.54	707.82	2,078.51	183.00	210.00
Hettinger	157.25	1,196.41	1,653.31	3,273.28	10,487.24	142.45	
Kidder	102.28	1,800.00	951.05	1,200.85	7,440.46	99.72	
LaMoure	708.05	1,965.77	2,200.11	1,929.54	8,891.69	333.00	292.40
Logan	517.50		2,493.49	1,672.57	8,043.45	278.50	
McHenry	2,114.52	1,875.89		4,671.11	9,669.00	392.00	
McIntosh	361.50		6,111.11	1,920.54	2,924.57	108.05	
McKenzie	668.55	180.00	1,744.60	1,569.27	4,739.08	55.05	257.00
McLean	819.25	2,971.84	2,133.13	2,610.14	8,940.99	151.40	
McNeal	174.00	540.00	1,288.13	778.60	10,582.85	77.15	
Mercer	1,898.85	7,410.71	3,199.66	4,259.51	49,250.92	169.65	
Morton	1,324.45	2,180.60	948.33	2,682.26	946.66		
Mountrail	1,528.55	2,684.78	883.25	2,050.08	652.66	234.00	70.00
Nelson	38.00	860.37	625.65	560.98	10,732.36	35.00	267.00
Oliver			2,235.10	2,305.93	43,591.44	35.00	328.00
Pembina	376.80	1,440.00	1,871.80	1,824.22	5,797.30	252.00	
Pierce	978.95	1,584.50		1,894.45	8,158.77	350.00	270.00
Ramsey	1,555.75	3,645.88		3,003.54	6,262.31		330.00
Ransom	505.70	4,332.12	518.49	1,991.13	4,017.50		
Ray	368.96		2,500.40	3,976.37	15,518.82	581.16	
Richland		7,634.29	2,834.64				

Rolette	128.05	871.08	1,301.83	1,355.80	13,660.82	24.00	
Sargent	200.00	3,415.70	1,922.14	1,352.95	327.30		
Sheridan	138.98	446.55	6,631.92	1,878.84	5,917.72	78.30	
Stark	2,900.16	3,304.75	1,351.34	1,982.64	55,621.48	134.35	
Steele	314.55	2,219.99	947.74	1,469.12	11,138.63	193.50	49.00
Stutsman	818.90	6,843.37	2,299.50	2,028.39	13,207.26	481.00	
Towner	546.25	420.00	956.83	1,603.49	10,443.64	108.40	
Trail	689.95	4,894.41	1,615.96	1,387.26	16,520.13	294.50	
Walsh	934.00	7,720.53	1,398.25	2,284.42	23,322.44	450.00	204.00
Ward	4,999.08	6,083.87	4,732.48	4,099.09	7,695.73	684.98	
Wells	479.15	2,655.52	2,416.64	2,350.21	8,771.11	99.95	
Williams	1,566.65	9,697.21	4,523.12	4,897.09	5,235.84	190.00	
Total	\$ 52,698.68	\$ 122,436.46	\$ 102,146.04	\$ 110,683.59	\$ 582,597.30	\$ 9,953.50	\$ 3,811.40

TABLE COMPILED BY THE PUBLIC EXAMINER SHOWING EXPENDITURES AND FINANCIAL CONDITION OF COUNTIES
—Continued—

County	Seed Grain	Co. Fair and Ass'ns	Free Bounty	Immigration	Miscellaneous Items	Totals
Adams	\$ 64,646.17				\$ 9,178.32	\$ 93,002.69
Barnes					20,783.65	98,645.19
Benon		531.55	333.71		8,749.29	94,408.94
Billings	57,104.66	2,000.00			26,486.19	143,588.25
Bothineau		2,620.26			19,025.08	81,615.53
Bowman	50,529.60				6,046.76	89,472.43
Burke	13,375.00				25,310.17	75,998.31
Burleigh				6,000.00	22,518.12	83,251.98
Cass		5,475.53			34,791.17	135,343.46
Cavaller					15,600.29	74,823.87
Dickey					78,001.11	111,696.05
Divide					36,073.00	93,268.54
Dunn	18,908.66				9,078.54	37,536.77
Eddy			375.30		9,316.77	34,001.79
Emmons	22,108.22		151.50		10,890.08	58,861.77
Foster		2,500.00			19,853.80	52,595.11
Grand Forks		958.31			37,654.04	154,388.93
Gribs					6,925.61	99,498.37
Hettinger	39,166.15				8,938.93	36,676.58
Kidder					8,741.51	31,963.24
Lamoure	19,104.79				13,791.91	72,555.86
Logan					7,423.74	33,103.19
McHenry					21,772.54	82,069.09
McIntosh					5,116.59	23,165.03
McKenzie	4,349.09				10,897.67	40,950.60
McLean	24.00				35,025.11	80,622.20
Mercer					5,478.49	29,650.37
Morton	18,014.08				33,526.50	157,509.56
Mountrail	24,105.24				40,697.60	98,367.15
Nelson					15,363.00	49,699.26
Olver					4,051.72	25,681.53
Pembina		1,800.00			20,739.82	107,096.32
Pierce					90,001.18	126,201.98
Ramsey					38,055.69	78,465.87
Ransom					9,360.14	47,724.21
Renville					10,589.02	59,341.56
Richland		4,000.00			26,727.06	107,968.68

Rolette .....	.....	.....	.....	.....	11,220.90	45,240.78
Sargent .....	.....	.....	.....	.....	24,285.86	51,611.59
Sheridan .....	.....	.....	.....	.....	9,973.47	42,607.77
Stark .....	.....	.....	.....	.....	68,381.53	153,530.14
Steele .....	.....	.....	.....	.....	5,052.76	37,947.37
Stutsman .....	.....	.....	.....	.....	20,677.78	86,449.63
Towner .....	.....	.....	.....	.....	12,521.53	49,327.50
Trail .....	.....	.....	8.00	.....	14,338.21	67,064.19
Walsh .....	.....	.....	.....	.....	12,742.66	85,780.47
Ward .....	.....	.....	.....	.....	42,833.30	153,943.55
Wells .....	.....	.....	.....	.....	26,944.04	67,189.04
Williams .....	.....	.....	.....	.....	36,277.86	144,446.00
41,114.31						
Total	\$ 372,449.97	\$ 22,035.65	\$ 1,700.91	\$ 5,000.00	\$ 1,091,008.36	\$ 3,876,222.20

ABSTRACT OF ASSESSMENT.
Of Real Property in Every County, North Dakota, as Returned by the Assessors and Equalized by the State Board, 1912.

COUNTY	No. of Acres	Average Value per Acre	Value of Land Exclusive of Structures and other Improvements (1)	Value of Structures and other Improvements on Land (2)	Value of Town or City Lots Exclusive of Structures and other Improvements (3)	Value of Structures and other Improvements on Town or City Lots (4)	Total Value as Equalized by the County Board (5)	Total Value as Equalized by the State Board
Adams	519,827	3.25	1,089,424	64,379	95,380	102,370	1,942,247	1,951,553
Barnes	938,534	6.08	5,704,780	447,939	642,252	662,231	7,335,852	7,367,182
Benson	737,264	4.48	3,166,518	260,872	132,172	273,337	3,675,820	3,832,899
Billings	1,351,714	2.67	3,700,629	126,673	127,255	162,213	3,940,550	4,116,770
Bottineau	1,056,731	4.65	4,920,129	443,127	256,465	483,742	6,091,251	6,103,463
Bowman	448,260	3.08	1,377,513	60,678	175,732	140,195	1,688,527	1,754,122
Burke	640,026	3.54	2,272,793	155,148	80,020	137,112	2,637,799	2,645,073
Burlingh	925,297	3.59	3,322,826	144,578	563,197	605,312	4,622,770	4,635,913
Cass	1,063,159	7.52	8,218,756	637,895	1,849,081	3,181,231	13,886,963	13,886,963
Cavalier	950,322	4.88	4,643,137	352,008	238,293	366,335	4,266,593	5,999,751
Dickey	693,521	4.75	3,291,503	197,082	253,177	330,830	3,820,778	4,072,592
Divide	612,835	3.54	2,166,259	100,074	58,519	118,200	2,081,949	2,442,842
Dunn	378,822	2.43	1,712,819	72,915	3,654	12,642	1,720,524	1,802,090
Eddy	869,822	4.60	1,747,563	124,557	122,138	119,208	1,858,029	2,113,526
Emmons	905,923	3.32	2,863,849	113,130	44,930	85,413	2,709,775	3,137,322
Farmer	402,304	5.23	1,229,940	172,375	98,078	152,560	2,389,853	2,552,941
Grand Forks	902,304	6.59	5,947,242	413,927	1,380,863	1,974,922	9,055,750	9,716,554
Griggs	451,205	6.11	2,760,249	251,882	125,087	349,306	3,486,524	3,486,524
Hettinger	552,958	3.03	1,765,668	89,808	98,263	118,119	2,059,149	2,071,968
Hidder	722,998	3.06	2,215,134	120,994	77,629	77,248	2,451,005	2,451,005
Kidder	716,311	4.87	3,492,156	238,616	186,913	284,785	4,176,581	4,202,470
LaMoure	558,428	3.46	1,934,730	129,011	39,645	59,195	1,901,076	2,162,581
Logan	1,132,248	4.02	4,553,632	301,756	190,022	353,913	5,196,010	5,399,923
McHenry	569,518	3.48	1,929,463	194,565	52,254	91,699	2,041,914	2,287,981
McIntosh	699,572	2.04	1,422,458	82,173	14,625	13,766	1,368,539	1,526,589
McKenzie	1,030,482	3.26	3,396,456	205,134	82,807	220,682	3,907,059	3,907,059
McLean	497,725	3.07	1,531,298	40,998	8,740	13,766	1,580,373	1,603,742
Merton	1,776,825	2.85	5,238,681	204,676	453,278	479,643	5,900,044	6,376,288
Mountrail	735,687	3.03	2,226,593	128,744	76,967	137,879	2,463,145	2,569,173
Nelson	619,618	5.28	3,270,094	203,905	159,139	270,415	3,720,454	3,903,513
Oliver	364,090	2.85	1,094,938	66,081	3,540	1,530	1,166,089	1,166,089
Pembina	707,694	5.37	3,803,698	325,035	130,538	299,316	4,546,708	4,558,576

Pierce	615,939	4.16	2,560,990	179,577	105,446	137,274	2,589,357	2,983,287
Ramsey	740,579	4.88	3,618,962	277,701	440,503	632,334	4,784,006	4,969,560
Ransom	537,683	5.11	2,749,433	170,241	130,549	314,809	2,810,980	3,365,032
Renville	547,987	4.02	2,201,393	148,684	51,906	122,950	2,505,105	2,524,933
Richland	898,770	6.59	5,928,371	478,170	248,636	592,747	7,247,924	7,247,924
Rolette	507,052	4.22	1,131,117	137,859	92,860	150,405	2,512,241	2,512,241
Sargent	530,014	5.17	2,743,629	173,372	92,408	137,228	2,790,080	3,146,637
Sheridan	541,112	3.68	1,994,242	82,700	47,553	63,157	1,899,533	2,187,852
Stark	716,505	3.28	2,355,601	259,316	321,028	505,601	3,703,373	3,441,836
Steele	452,209	6.32	2,361,286	230,705	69,500	143,612	3,305,103	3,303,103
Stutsman	1,366,453	4.73	6,462,389	503,648	419,503	912,436	8,298,286	8,298,286
Towner	639,146	4.76	2,989,185	258,590	142,751	262,307	3,650,343	3,662,833
Trall	542,605	7.43	4,032,144	267,343	148,982	306,590	4,740,460	4,735,059
Walsh	817,304	6.13	5,008,752	379,722	227,632	452,403	5,529,978	6,068,489
Ward	1,191,810	3.83	4,574,686	263,391	800,639	1,086,024	6,098,507	6,724,740
Wells	792,007	4.35	3,442,920	244,990	119,327	255,618	3,875,669	4,062,855
Williams	994,021	3.35	3,337,159	190,005	445,784	449,492	3,352,334	4,422,440
Total as Equalized by County Board							\$ 189,321,977	
Total as Equalized by State Board	36,838,697	4.31	\$ 158,595,083	\$ 10,695,837	\$ 11,578,038	\$ 18,204,775		\$ 199,073,743

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912.

County	Road Poll		School Poll	29 Total Value as Equalized by the State Board		Total Value as Equalized by the County Board		Total Value as Equalized by the Town Board		Assessor's Return of all Property (28 Items)	
	Dollars	\$		Dollars	\$	Dollars	\$	Dollars	\$	Dollars	\$
Adams	1,621	\$	1,341	\$	426,918	\$	354,394	\$	429,708	\$	425,698
Barnes	54		3,022		1,529,876		1,497,401		1,410,036		1,337,364
Benson	2,639		2,821		1,154,548		1,068,196		1,049,368		1,050,184
Billings			3,399		1,534,704		1,509,893				
Bottineau	2,111		3,007		1,807,108		1,574,557				
Bowman	2,216		1,875		601,075		605,310		414,558		571,646
Burke					561,982		553,212		515,458		509,115
Burlingh	3,114		2,729		1,294,654		1,291,734		1,283,052		1,281,419
Cass					3,549,007		3,547,555		3,545,359		3,494,448
Cavalier					1,249,894		1,102,268		1,069,191		
Dickey					848,421		821,540		814,421		815,819
Divide					612,429		593,504		596,776		594,686
Dunn	1,964		1,794		693,443		700,908		359,249		700,908
Eddy	1,048		966		472,462		455,627				443,490
Emmons	2,417		2,015		817,989		798,462				809,600
Foster	1,248		1,134		544,167		476,821		477,196		478,363
Grand Forks					2,453,193		2,398,556		2,421,286		2,415,329
Griggs					935,035		928,891		907,668		898,300
Hettinger	2,020		1,651		616,591		617,174				586,567
Kidder	1,000		1,572		589,920		587,930		225,931		1,036,750
LaMoure	2,058		2,329		1,111,916		1,070,526		1,038,843		514,700
Logan	1,599		1,220		533,640		514,986		114,953		1,221,535
McHenry	637		2,887		1,420,281		1,351,087		1,221,492		586,213
McIntosh	1,844		1,491		610,719		584,285		131,435		731,542
McKenzie	3,351		2,436		761,657		764,630		734,095		1,015,290
McLean	3,542		8,023		1,060,310		1,039,425		1,025,218		1,018,912
Mercer	1,524		1,815		473,685		447,728		20,514		1,725,205
Morton	3,650		5,026		1,797,294		1,759,102		756,787		1,037,087
Mountrail					708,509		703,347		636,782		643,706
Nelson					1,023,549		995,715		1,041,682		1,037,087
Oliver	761		983		282,835		253,144				251,029
Pembina					1,139,780		1,131,987		1,044,598		1,044,598
Pierce			1,694		683,278		643,211		632,060		634,202
Ramsey			2,478		1,293,161		1,227,027		1,195,206		1,170,763
Ransom					747,917		728,410		678,391		681,085
Renville			846		571,845		544,729		511,711		513,954
Richland	767				1,613,298		1,599,652				

Rollette	1,541	1,557	698,830	069,900	668,228	609,585
Sargent	1,494	1,813	851,231	828,157	810,452	810,260
Sheridan	1,336	1,621	568,402	486,013	.....	444,313
Stark	160	2,439	1,083,255	1,075,501	465,464	982,381
Steele .....	.....	1,325	796,955	783,275	745,992	729,541
Stutsman	4,627	3,975	1,525,024	1,521,809	.....	.....
Towner	2,091	1,723	948,991	940,731	870,447	867,447
Trull .....	.....	2,144	1,108,379	947,518	954,540	936,239
Walsh .....	.....	.....	1,328,886	1,282,796	1,028,017	1,031,893
Ward .....	.....	.....	1,831,334	1,712,911	1,630,685	1,639,631
Wells	1,312	2,128	1,006,489	968,074	668,767	934,177
Williams	4,494	3,616	1,192,705	1,178,837	986,536	1,074,209
Total County Board.....						
Total State Board.....		\$	50,867,111	\$	49,207,246	

REPORT OF TAX COMMISSION.

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	1 Horses							
	One Year Old		Two Years Old		Three Years Old and over		Stallions kept for Service	
	No.	Value in Dollars Av. val. \$15	No.	Value in Dollars Av. val. \$24	No.	Value in Dollars Av. val. \$36	No.	Value in Dollars Av. val. \$170
Adams	444	6,660		\$ 418		\$ 4,121		\$ 29
Barnes	1,603	24,203		1,356		12,001		57
Benson	1,196	17,975		1,211		29,304		47
Billings	1,649	31,245		1,581		46,100		33
Botineau	2,668	24,755		1,408		35,185		68
Bowman	348	5,257		342		8,383		21
Burke	670	10,020		502		13,511		4
Burlingh	1,317	20,236		1,205		29,125		25
Cass	1,868	28,061		1,595		38,329		58
Chandler	1,533	23,124		1,423		34,947		59
Dickey	1,061	15,910		908		21,684		63
Divide	b43	8,068		475		11,695		47
Dunn	1,888	20,820		2,281		30,744		92
Eddy	658	9,843		573		13,643		102
Emmons	1,705	25,602		1,810		38,465		19
Foster	675	10,133		482		12,800		61
Grand Forks	1,388	20,864		1,399		27,661		22
Gris	1,084	15,918		984		169,346		10,400
Hartinger	1,819	12,223		626		7,185		3,842
Hidder	1,013	15,129		875		258,304		11,816
Kidder	1,135	17,055		848		190,319		6,138
LaMoure	881	13,286		1,153		206,612		9,130
Logan	1,652	24,894		1,453		326,038		10,512
McHenry	916	13,400		1,153		185,231		3,937
McIntosh	1,661	20,406		1,453		461,666		9,903
McKenzie	1,611	23,093		1,424		187,194		7,159
McLean	2,592	38,830		2,748		286,949		15,526
Merton	778	11,598		1,099		361,218		13,167
Montreal	1,247	19,220		1,109		161,756		20,313
Nelson	529	7,987		584		532,538		18,189
Oliver	1,234	18,510		1,479		221,988		8,552
Pembina	1,032	15,804		1,032		302,410		5,066
Pierce	1,845	20,411		1,132		133,062		3,269
Ransom	976	14,620		804		306,891		7,479
						278,903		4,873
						357,266		7,965
						227,235		4,927

Renville	549	8,251	543	13,164	5,956	215,565	28	4,787
Richland	1,775	26,652	1,791	42,978	11,901	428,432	72	12,236
Rolette	849	12,646	756	17,801	6,470	233,088	39	7,542
Sargent	1,065	16,273	973	23,420	7,103	258,616	32	5,486
Sheridan	945	13,955	1,141	27,423	6,166	222,666	43	7,275
Stark	1,088	16,280	951	23,705	7,882	282,490	48	7,555
Steele	1,749	11,233	829	19,871	6,987	251,376	24	4,080
Stutsman	1,547	23,205	1,318	31,932	12,005	435,420	62	11,315
Towner	1,257	18,322	1,005	24,188	8,404	337,866	55	9,339
Trail	786	11,820	751	18,042	8,149	293,321	15	2,523
Walsh	1,373	20,597	1,146	27,494	11,202	403,607	37	6,403
Ward	1,338	20,097	1,266	30,608	11,888	433,357	52	8,835
Wells	1,334	19,838	1,156	28,109	9,025	314,268	49	8,346
Williams	1,086	16,398	1,010	24,853	10,034	365,206	43	7,320
Total County Board.....	57,065	829,802	53,954	1,241,297	413,249	14,440,383	2,322	358,955
Total State Board.....		857,115		1,277,112		14,771,130		418,946

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	2 Cattle									
	One Year Old			Two Years Old			Cows Three Years old and over			All other Cattle Three Years old and over
	No.	Value in Dollars		No.	Value in Dollars		No.	Value in Dollars		
		Av. val. \$6	No.		Av. val. \$10	No.		Av. val. \$10	No.		Av. val. $18	Value in Dollars Av. val. $20
Adams	1,192	\$ 7,152	632	\$ 6,320	2,701	\$ 26,848	68	\$ 1,224	53	\$ 1,058
Barnes	3,245	19,454	1,627	16,244	7,124	71,269	7	126	144	2,926
Benson	1,908	11,574	1,026	10,245	4,648	46,674	17	311	56	1,123
Billings	4,898	29,281	3,797	45,144	9,026	90,289	157	2,828	2,019	38,274
Bottineau	2,039	12,236	657	7,950	6,450	64,508	44	792	45	860
Bowman	1,162	6,974	612	6,103	2,412	24,421	50	903	32	631
Burke	965	5,811	510	5,090	3,181	31,789	136	2,443	21	408
Burling	3,061	18,410	1,738	17,417	6,343	64,209	10	183	198	3,994
Cass	3,363	20,139	1,996	19,855	8,311	84,647	1	18	101	2,049
Cavaler	2,069	12,538	1,092	10,969	5,763	57,637	73	136	73	1,559
Dickey	2,818	16,748	1,566	15,399	5,254	52,590	8	16,743	162	3,094
Divide	1,098	6,619	629	6,038	2,952	29,493	898	96	26	531
Dunn	2,983	17,358	2,334	23,340	5,429	54,290	3	143	582	11,640
Eddy	1,241	7,450	737	7,358	2,568	25,671	8	123	26	520
Emmons	3,788	23,038	2,185	22,009	7,773	77,814	6	123	86	1,763
Foster	1,068	6,480	674	6,473	2,366	23,659	2	35	42	845
Grand Forks	2,570	15,458	1,585	15,260	7,494	75,044	2	35	161	2,923
Griegs	1,505	9,048	700	7,003	3,179	31,786	2	38	62	1,208
Hettinger	1,079	6,487	474	4,692	3,198	33,195	25	426	36	712
Kidder	2,747	16,460	1,377	13,748	5,377	53,860	32	572	102	2,021
LaMoure	2,338	14,025	1,239	12,399	5,340	53,438	7	120	107	2,114
Logan	2,293	13,739	1,243	12,471	5,347	53,757	9	164	69	1,187
McHenry	3,234	19,445	1,242	12,369	8,011	79,991	9	162	74	1,411
McIntosh	3,513	21,338	1,809	8,001	8,601	86,220	...	...	171	3,381
McKenzie	3,260	19,500	2,461	24,610	6,627	66,270	375	6,750	1,111	22,220
McLean	2,303	13,944	1,397	13,322	6,038	62,091	158	2,870	102	2,042
Mercer	1,737	10,434	1,126	11,280	3,872	38,720	2	36	188	3,719
Morton	4,533	32,917	2,758	27,798	12,804	128,235	65	1,498	457	8,957
Mountrail	1,728	10,523	1,480	14,327	4,402	44,121	812	14,600	584	11,655
Nelson	2,366	14,312	1,423	14,327	5,070	50,700	3	56	74	1,475
Oliver	1,667	10,109	1,048	10,631	3,453	33,931	...	...	69	1,373
Pembina	2,969	17,769	1,210	12,101	5,661	56,646	10	180	55	1,100
Pierce	1,481	8,968	739	7,395	3,917	39,154	3	54	42	845
Ransom	1,971	12,180	1,232	11,315	4,695	47,375	7	123	63	1,226
Ramsay	1,980	12,206	1,008	9,877	4,929	49,315	7	126	49	980

Renville	739	4,461	386	3,380	2,616	26,271	18	333	14	279
Richland	4,172	25,057	2,475	24,746	9,991	99,917	2	39	224	4,430
Rolette	1,315	7,861	666	6,491	3,352	33,781	40	690	38	838
Sargent	2,928	17,893	1,772	17,723	5,994	60,189	...	...	129	2,542
Sheridan	1,498	9,018	771	7,750	4,019	40,410	134	2,490	43	864
Stark	1,918	11,498	1,216	12,034	5,207	52,449	10	179	198	3,924
Steele	1,681	10,078	773	7,740	3,629	36,298	10	...	54	1,071
Stutsman	3,251	19,508	1,741	17,410	8,086	80,860	17	306	82	1,640
Towner	1,104	6,522	585	5,811	3,397	34,137	1	18	51	1,998
Trail	1,925	11,548	1,169	11,220	5,261	52,608	3	48	65	1,294
Walsh	2,725	16,353	1,496	14,860	6,895	68,040	17	306	78	1,560
Ward	2,145	12,872	912	8,958	7,018	70,723	328	5,791	69	1,351
Wells	1,967	11,784	921	9,193	4,990	50,668	3	54	71	1,493
Williams	1,863	11,352	1,085	10,982	5,563	56,339	739	13,446	60	1,210
Total County Board	111,361	644,381	62,333	602,742	265,241	\$ 2,654,358	4,253	\$ 76,952	8,398	\$ 155,491
Total State Board		675,983		629,308		\$ 2,082,299		\$ 77,573		\$ 165,366

REPORT OF TAX COMMISSION.

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912--Cont'd.

County	One Year Old			Two Years Old			Three Years Old and over			4 Sheep		
	No.	Value in Dollars Av. val. \$17	No.	Value in Dollars Av. val. \$25	No.	Value in Dollars Av. val. \$36	No.	Value in Dollars Av. val. \$36	No.	Value in Dollars Av. val. \$1.50		
Adams	20	\$ 340	11	\$ 273	89	\$ 3,177	1,161	\$ 2,416				
Barnes	8	135	5	127	77	2,854	531	799				
Benson	8	127	5	127	132	4,751	948	1,437				
Billing	31	520	36	900	316	5,808	24,387	36,526				
Bottineau	1	17	2	50	91	11,377	611	917				
Bowman	2	32	3	75	84	3,266	15,306	24,506				
Burke	7	113	3	75	84	3,002	88	134				
Burlleigh	3	51	2	50	71	2,576	5,403	8,195				
Cass	6	102	7	165	169	6,148	4,504	7,147				
Cavalier	2	488	5	125	116	4,180	961	1,486				
Dickey	2	108	42	1,059	112	6,374	1,489	2,291				
Divide	108	306	4	50	112	4,093	387	581				
Dunn	18	170	5	100	29	1,044	6,165	9,246				
Eddy	10	16	13	326	124	3,712	2,195	3,451				
Emmons	1	67	1	25	49	1,743	4,240	6,392				
Foster	4	303	15	375	94	3,384	1,752	2,028				
Grand Forks	18	35	15	375	383	13,467	4,362	6,562				
Griggs	2	35	6	151	109	3,923	2,031	3,240				
Hettinger	2	16	2	50	89	3,111	174	272				
Kidder	1	16	2	50	77	2,739	5,693	8,881				
LaMoure	26	445	16	399	209	7,512	446	685				
Logan	3	99	5	125	15	540	2,013	3,119				
McHenry	26	438	16	408	247	8,767	2,336	3,565				
McIntosh	1	18	9	226	21	764	2,274	3,856				
McKenzie	5	226	2	49	90	3,232	6,614	10,883				
McLean	5	226	3	75	108	3,993	986	1,623				
Mercer	15	346	14	365	10	340	7,844	10,941				
Morton	8	136	13	365	169	3,840	9,142	10,941				
Mountrail	2	84	4	97	81	2,786	569	886				
Nelson	5	86	11	217	186	6,326	1,797	2,860				
Oliver	5	86	17	437	87	857	638	950				
Pembina	6	102	11	276	70	2,636	9,841	15,779				
Pierce	.....	.....	.....	.....	58	2,088	98	153
Ransom	3	50	14	404	142	5,097	989	1,480				
Ransom	3	50	14	350	107	3,745	548	838				

Benville	2	109	6	144	134	4,819	400	601
Richland	12	205	32	799	275	9,902	1,927	3,079
Rolette	2	94	14	350	103	3,855	1,484	2,413
Sargent	21	380	33	1,547	157	5,802	866	1,297
Sheridan .....	...	...	2	50	40	1,450	396	572
Stark	9	210	13	328	28	1,016	1,752	2,859
Steele	1	16	2	50	118	4,248	1,096	1,845
Stutsman	14	238	12	300	163	5,898	2,885	4,296
Towner	13	222	27	689	377	13,578	675	1,070
Trall	9	152	4	100	348	12,528	2,629	3,943
Wain .....	...	...	...	...	72	2,592	1,526	2,440
Ward	24	454	42	1,038	229	7,943	1,780	1,133
Wells	1	16	2	50	111	3,787	1,203	1,854
Williams	7	121	8	198	189	6,353	1,669	2,577
Total County Board	386	6,271	505	12,437	6,348	220,233	127,833	227,961
Total State Board .....	...	7,143	...	13,315	...	227,018	...	228,308

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	5		6		A		B		C		D	
	Hogs		Sleighs and Sleds		Bicycles		Wagons, Carriages and all other Wheeled Vehicles		Automobiles			
	No.	Value in Dollars Av. val. \$3.30	No.	Value in Dollars Av. val. \$5	No.	Value in Dollars	No.	Value in Dollars	No.	Value in Dollars	No.	Value in Dollars Av. val. \$175
Adams	707	\$ 2,333	225	\$ 1,113	5	\$ 40	1,385	\$ 9,695	43	\$ 7,512		
Barnes	4,161	13,471	1,266	6,373	5	61	4,326	43,395	355	61,998		
Benson	2,439	8,092	1,132	5,702	...	...	3,331	33,215	154	26,974		
Billings	2,187	7,577	674	3,451	8	...	3,207	41,697	87	15,175		
Bottineau	2,451	7,978	1,978	9,890	17	235	4,981	53,985	248	44,375		
Bowman	615	2,044	171	883	10	128	1,397	14,231	51	9,003		
Burke	747	2,398	863	4,215	1	3	2,071	16,803	79	13,699		
Burlingame	1,523	5,067	791	4,328	12	136	2,266	25,835	82	14,180		
Cass	7,143	23,201	1,374	7,288	154	1,180	6,058	78,399	426	67,317		
Cavalier	2,689	9,501	1,697	8,535	5	13	4,060	40,893	204	35,961		
Dickey	3,545	11,716	661	3,123	5	60	2,346	18,569	158	27,625		
Divide	598	1,993	729	3,550	6	46	1,887	23,818	59	10,621		
Dunn	1,670	5,511	657	3,830	4	54	1,866	28,359	18	3,135		
Eddy	1,084	3,648	457	2,119	...	...	1,558	15,281	88	15,623		
Emmons	2,173	7,222	726	3,627	...	...	2,137	21,425	71	12,661		
Foster	1,637	5,449	422	2,137	6	101	1,512	15,267	121	21,296		
Grand Forks	3,826	12,666	1,378	6,868	223	1,547	4,736	48,098	367	64,581		
Griggs	2,024	6,576	760	4,156	102	102	2,227	44,857	160	27,310		
Hettinger	874	3,069	297	1,525	5	57	1,865	21,767	65	11,284		
Kidder	635	2,194	513	2,403	2	15	1,971	16,313	34	6,003		
LaMoure	2,542	8,391	843	4,231	8	135	3,163	29,804	213	37,492		
Logan	1,789	5,983	452	2,124	11	65	1,956	20,598	19	3,311		
McHenry	2,593	8,696	1,695	8,517	11	55	4,544	45,181	261	44,956		
McIntosh	2,689	8,949	487	2,289	29	173	1,686	15,867	34	5,801		
McKenzie	1,096	3,612	850	4,689	9	95	1,920	24,997	31	5,438		
McLean	2,271	7,094	1,136	5,683	12	135	3,363	30,939	113	19,698		
Mercer	1,723	5,190	605	3,037	7	55	1,858	9,680	38	6,668		
Merton	3,154	9,955	1,459	7,476	19	280	5,069	42,293	165	28,805		
Mountrail	941	3,227	1,051	4,796	4	45	2,382	23,175	53	9,293		
Nelson	2,469	8,151	1,109	4,560	24	120	3,181	31,313	184	32,291		
Oliver	871	2,893	374	1,906	...	...	1,037	7,045	11	1,938		
Pembina	2,304	7,728	1,091	5,455	13	123	3,372	27,036	203	35,571		
Pierce	2,534	8,376	1,903	4,457	6	65	2,554	23,256	102	17,907		
Ransom	2,065	8,549	1,173	5,945	24	208	3,257	26,272	234	39,493		
Ransom	3,721	12,414	676	3,364	1	15	2,173	20,914	156	27,239		

Renville	730	2,446	868	4,338	3	32	2,051	16,259	98	17,099
Richland	7,382	24,337	1,417	7,096	8	59	4,924	54,146	245	43,065
Rolfe	1,053	3,522	879	4,088	10	88	2,153	19,556	62	10,890
Sargent	3,956	13,113	767	3,537	2	15	2,419	21,840	111	19,527
Sheridan	2,065	6,125	599	2,545	8	35	1,737	8,914	65	11,504
Stark	1,785	5,391	396	1,897	14	260	2,201	26,269	128	22,368
Steele	2,224	7,374	642	3,211	1	20	2,412	24,098	187	32,618
Stutsman	2,602	8,637	934	4,670	16	250	3,693	48,018	245	42,573
Towner	2,332	7,388	1,042	5,215	8	76	3,113	27,457	134	23,124
Trail	3,322	11,000	1,047	5,078	4	38	3,538	24,744	287	45,904
Waish	3,907	12,075	1,551	7,765	13	36	4,111	32,901	189	34,985
Ward	1,538	5,134	1,380	6,941	39	374	3,997	32,668	364	63,621
Wells	2,333	7,791	863	4,263	10	54	2,749	36,164	124	21,825
Williams	1,419	4,828	1,234	6,067	31	283	3,495	34,774	112	19,649
Total County Board	112,471	\$ 341,163	\$ 44,194	\$ 211,362	\$ 848	\$ 7,093	\$ 139,243	\$ 1,400,697	\$ 7,017	\$ 893,315
Total State Board		371,143		221,299		7,093	\$ 1,400,697			1,220,910

REPORT OF TAX COMMISSION.

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	7		8		9		10		
	Melodeons, Organs and other Musical Instruments		Pianos		Household Furniture		A		
	No.	Value in Dollars	No.	Value in Dollars Av. val. \$60	Value in Dollars	Value in Dollars	No.	B	
								Agricultural Tools, Impts. and Mch'y.	"Handy" Gas Engines
	No.	Value in Dollars	No.	Value in Dollars Av. val. \$60	Value in Dollars	Value in Dollars	No.	Value in Dollars	Value in Dollars
Adams	78	\$ 546	89	\$ 5,109	\$ 14,672	\$ 22,944	6	\$ 78	
Barnes	276	3,022	634	38,156	78,617	79,916	223	4,011	
Benson	184	2,039	251	15,120	42,574	53,363	---	---	
Billings	85	1,406	225	13,321	43,305	88,819	---	---	
Bothreau	332	3,247	466	27,756	68,332	72,779	209	1,716	
Bowman	49	504	74	4,080	20,022	37,635	24	5,188	
Burke	66	1,615	104	6,569	27,255	25,875	---	---	
Burleigh	136	1,351	27	2,217	80,682	31,900	31	566	
Cass	525	6,822	1,668	106,510	327,279	116,567	183	4,614	
Cavalier	315	1,622	365	22,013	41,212	61,760	76	1,416	
Dickey	179	1,464	282	15,854	34,150	37,554	68	1,206	
Divide	53	529	74	4,053	20,584	41,207	9	140	
Dunn	60	595	35	2,070	9,152	39,211	21	385	
Eddy	79	1,153	142	8,175	16,799	27,598	68	1,218	
Emmons	192	1,843	71	4,255	22,155	31,139	35	609	
Foster	72	1,721	185	11,027	19,599	31,871	64	1,501	
Grand Forks	559	4,496	1,421	85,705	183,214	60,257	46	964	
Griggs	162	1,572	209	11,835	40,193	71,406	129	3,605	
Hettinger	65	820	88	5,265	46,198	41	998		
Kidder	117	1,070	67	3,982	20,201	32,550	18	415	
LaMoure	191	1,773	300	18,008	34,668	41,884	130	2,397	
Logan	136	1,401	35	2,040	17,668	35,595	34	1,025	
McHenry	277	2,750	330	19,793	50,155	54,594	107	1,318	
McIntosh	265	1,681	49	2,904	24,474	23,465	5	81	
McKenzie	47	641	32	1,880	19,889	43,431	31	871	
McLean	171	1,698	190	10,700	36,345	58,936	---	---	
Mercer	109	702	22	1,182	10,385	20,001	16	534	
Morton	235	2,645	383	22,524	80,922	78,567	---	---	
Mountrail	64	527	108	6,283	23,215	49,298	32	1,205	
Nelson	242	2,432	297	17,827	56,692	53,281	23	684	
Oliver	31	272	17	900	6,242	10,495	3	84	
Pembina	334	3,377	627	37,680	47,127	69,088	98	1,924	
Pierce	162	1,525	148	8,871	33,508	31,061	55	969	
Ransom	239	2,331	629	33,044	62,338	48,521	---	---	
Ransom	97	975	334	19,591	42,335	27,706	67	841	

Renville	79	670	129	7,991	19,890	30,880	....	....	....
Richland	367	4,390	635	38,067	78,265	97,217	....	....	....
Rolette	125	1,051	168	9,473	31,501	32,845	124	1,641	....
Sargent	161	1,385	225	13,155	29,764	34,264	69	2,206	....
Sheridan	237	1,164	67	3,974	15,875	23,697	51	554	....
Stark	48	621	260	14,708	63,414	53,932	51	1,145	....
Steele	140	1,407	234	14,069	27,378	41,708	172	2,260	....
Stutsman	242	3,990	441	26,731	98,502	91,794	84	1,860	....
Towner	137	1,223	256	14,972	34,817	49,655	223	4,952	....
Trail	279	1,676	415	24,928	47,898	48,894	30	2,459	....
Walsh	332	3,320	538	33,474	68,844	73,101	....	563	....
Ward	214	2,169	903	37,738	113,080	66,237	....	1,958	....
Wells	286	2,131	230	15,144	37,565	56,250	59	....	....
Williams	113	1,054	331	19,878	65,356	64,412	....	....	....
Total County Board	8,934	\$ 87,808	14,784	\$ 832,937	\$ 2,301,689	\$ 2,363,324	\$ 2,713	\$ 63,991	....
Total State Board		\$ 87,808		\$ 895,591	\$ 2,405,986	\$ 2,419,358		\$ 63,991	....

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	A			B		C		D	
	Separators run by Steam Engines		Value in Dollars	Separators run by Gas Engines		Steam Traction Engines and Bollers		Gas Traction Engines	
	No.			No.		No.	Value in Dollars	No.	Value in Dollars
Adams	28	\$	2,520	4	\$	35	\$	20	\$
Barnes	192		20,196	22		216		6,691	4,840
Benson	153		14,060	19		2,339		37,596	7,998
Bellings	84		12,958	40		3,019		28,544	6,866
Bottineau	152		15,107	22		5,133		18,536	24,980
Bowman	36		4,000	4		2,978		27,146	10,928
Burke	49		4,716	15		562		9,882	4,682
Burling	41		3,060	8		1,776		9,674	5,190
Cass	273		34,307	42		860		9,035	4,631
Cavalier	195		13,726	54		5,084		51,292	11,950
Dickey	85		6,497	8		2,847		32,299	6,895
Divide	46		5,540	15		1,505		15,804	5,237
Dunn	47		5,026	10		1,163		11,075	4,074
Eddy	67		6,535	9		690		11,309	9,492
Emmons	77		6,956	6		470		5,195	3,177
Foster	47		4,120	12		885		13,235	2,872
Grand Forks	200		17,650	22		1,585		33,354	3,755
Griggs	112		15,557	13		2,120		25,952	5,262
Hettinger	26		3,270	20		2,460		11,861	5,015
Kidder	45		4,493	9		1,028		9,300	13,224
LaMoure	131		13,247	24		1,937		24,562	5,332
Logan	39		3,695	10		1,165		5,950	9,398
McHenry	140		14,070	21		1,078		30,888	1,530
McIntosh	49		6,322	6		335		2,700	7,029
McKenzie	43		3,532	18		2,325		8,362	1,310
McLean	71		8,842	18		2,720		18,724	3,115
Mercer	98		1,503	17		908		8,060	3,471
Morton	93		7,780	36		3,580		29,226	4,057
Mountrail	57		6,880	6		12,839		11,211	11,211
Nelson	143		17,033	23		2,018		26,030	8,614
Oliver	20		945	7		2,812		27,222	1,406
Pembina	131		13,127	48		3,840		15,300	13,829
Pierce	89		6,190	6		455		16,300	8,837
Ramsey	163		10,134	43		2,778		30,362	7,477
Ransom	76		6,446	9		525		16,884	3,033

Renville	59	5,128	13	685	82	13,702	35	7,313
Richland	142	14,207	17	1,485	148	29,337	28	5,695
Rolette	102	9,371	11	1,010	97	18,540	16	3,294
Sargent	99	9,250	14	1,190	108	19,985	20	4,050
Sheridan	61	2,464	10	970	69	11,850	22	3,912
Stark	70	7,241	13	1,620	83	16,160	41	7,285
Steele	105	10,531	6	1,195	118	23,616	14	2,541
Stutsman	144	14,004	25	1,930	160	24,876	50	10,845
Towner	130	12,544	24	1,715	149	27,395	44	8,838
Trail	130	19,035	6	1,260	128	22,060	26	4,738
Walsh	191	19,094	27	2,180	195	39,140	34	6,023
Ward	108	8,549	30	1,822	134	25,551	69	13,552
Wells	115	10,080	13	1,090	132	23,318	27	6,140
Williams	83	9,882	9	1,630	92	17,972	42	9,230
Total County Board	4,772	\$ 461,649	863	\$ 79,742	5,221	\$ 888,047	1,968	\$ 312,406
Total State Board		\$ 461,649		\$ 79,742		\$ 944,088		\$ 330,868

Ramsey	75	290	.....	.....	227,216	1,963	5,421
Ransom	25	155	.....	100	97,746	1,460	4,440
Renville	15	91	.....	50	63,788	215	2,620
Richland	28	52	.....	.....	208,154	6,290	19,120
Rolette	10	.....	.....	1,064	86,006	2,093	1,570
Sargeant	25	.....	.....	.....	108,405	4,444	2,408
Sheridan	60	608	.....	.....	38,025	180	452
Stark .....	.....	60	.....	.....	199,381	4,350	7,705
Steele .....	.....	215	.....	.....	78,351	200	1,211
Stutsman	20	1,096	.....	1,020	218,606	10,400	16,588
Towner	15	972	23	.....	97,770	415	2,360
Trail	65	75	15	.....	144,735	929	4,848
Walsh	55	1,418	.....	.....	181,776	685	3,900
Ward	61	35	5,000	240	364,623	11,028	55,824
Wells	120	1,245	50	10	135,192	6,625	2,200
Williams	408	1,662	.....	900	186,162	5,790	14,215
Total County Board.....	\$ 14,398	\$ 38,273	\$ 8,795	\$ 11,985	\$ 7,212,649	\$ 189,293	\$ 459,164
Total State Board.....	\$ 14,398	\$ 38,273	\$ 8,795	\$ 11,985	\$ 7,212,649	\$ 189,293	\$ 459,164

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	19		20		21		22		23	
	Moneys other than that of Banks, Bankers and Brokers		Credits other than that of Banks, Bankers and Brokers		Bonds and Stock (not Bank Stock)		Shares of Bank Stock		Shares of Capital Stock Foreign Companies and Associations	
	Value in Dollars	\$	Value in Dollars	\$	Value in Dollars	\$	No. Shares	Dollars Value in	No. Shares	Value in Dollars
Adams	525	\$	350	\$			1,250	\$ 33,077		\$
Barnes	1,025		3,250		10,838		5,120	130,194		
Benson	2,070		7,450		100		2,800	87,790		120
Billings	1,050		500					113,100		140
Bottineau	4,982		7,091		100		4,964	127,268		100
Bowman	5,780		2,311		198		1,500	44,701	1,236	1,224
Burke			1,600					24,797		
Burlingame	2,275							131,944		
Cass	70,395		59,265					275,368		488
Cavaller	1,405							117,615		
Dickey	6,204		4,836		50		1,950	83,177		
Divide	3,100		3,618		100		1,270	37,022		445
Dunn	1,200				400		1,300	15,000		
Eddy	1,810				725		1,200	28,701		
Emmons	5,065		22,968				1,100	39,333		
Foster	1,225						1,350	41,218		3,800
Grand Forks	6,073		101,075		22,100			209,696		
Griggs	3,375		50,847		1,200			61,480		
Hettinger	1,600		4,850		400		1,470	40,121		
Kidder	1,020		7,925					25,833		
LaMoure	1,990		17,060				3,668	106,307		2,875
Logan	300		2,850					25,473		
McHenry	159		4,950				4,000	138,306		1
McIntosh	2,340		1,360		4,200			19,814		
McKendzie	100		2,948		400		650	17,135		
McLean			1,485				2,150	68,905		
Mercer	4,155		3,155				920	32,078		
Morton			200				3,450	139,816		
Mountrail	1,899		2,725		250			43,094		780
Nelson	9,375		18,099		25		1,700	55,570		100
Oliver	1,450		4,500					4,200		
Pembina	1,400		1,520				3,395	100,029		
Pierce	1,000		100		1,340		810	21,653		

Ramsey	40	910	1,788	4,250	158,512	.....	.....
Ransom	100	4,500	150	.....	56,735	.....	.....
Renville	2,076	745	.....	1,575	35,390	60	375
Richland	29,041	7,670	.....	.....	124,370	.....	.....
Roleff	14,400	3,400	2,370	1,450	21,280	150	261
Sargent	2,700	1,865	.....	.....	56,522	.....	20
Sheridan	495	19,765	400	1,200	45,000	.....	.....
Stark .....	.....	.....	.....	.....	84,480	.....	300
Steele	4,521	34,590	.....	2,300	77,892	.....	7,680
Stutsman	100	2,125	.....	4,300	151,879	.....	40
Towner	1,075	.....	.....	2,250	78,424	.....	.....
Trall	10,765	68,835	.....	3,750	113,686	.....	.....
Walsh	10,450	9,150	.....	.....	81,752	.....	.....
Ward	1,850	7,005	2,150	.....	174,562	.....	1,250
Wells	1,665	10,220	.....	2,310	85,184	.....	.....
Williams	1,552	800	.....	3,220	104,437	.....	2,141
Total County Board.....	\$ 224,167 \$	\$ 510,498 \$	49,284	73,232 \$	3,898,938	\$ \$	22,120
Total State Board.....	\$ 224,167 \$	\$ 510,498 \$	49,284	.....	3,910,008	.....	22,120

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	24		25				C	
	Stock and Furniture of		A		B		Flour Mills over 100 Bbl. Capacity	
	Sample Rooms, Billiard Houses, and Similar	Value in Dollars	No.	Elevators	No.	Warehouses and All Others	No.	Value in Dollars
Adams	1,205	14	25,200					
Barnes	3,240	74	104,753					
Benson	2,870	61	119,199		6	\$ 260		
Billings	1,115	13	39,683					
Bottineau	3,159	2,607	173,699		5	280		
Rowman	2,560	19	29,920		2	300	1	3,000
Rourke	2,120		40,421			1,390		
Burling	3,600	10	16,312					
Cass	7,682		160,006			6,625		
Cavaller	1,095	69	105,324			900		1,400
McKey	2,581	37	38,710		4	1,800		
Divide	2,325	18	44,021		2	500		
Dunn	1,500							
Eddy	1,635	14	27,195				1	4,000
Emmons	590	21	43,249			230	2	1,250
Foster	3,655	504,000	29,625					
Grand Forks	5,080		105,712			3,300		
Griggs	2,471	12	33,720		1	800		
Hettinger	3,875	12	18,900					
Kidder	2,355	7	9,455		122,786			
LaMoure	2,695	55	92,340		4	1,075	1	2,000
Logan	365	18	25,994					
McHenry	1,845	75	114,540		5	1,100		
McIntosh	100		26,142			75		
McKenzie	140							
McLean	4,100		81,527			350		360
Mercer	250	5	6,800		1	325		
Morton	4,370	37	68,850		18	5,300	3	1,550
Mountain	7,813	24	37,432		1	40		
Nelson	2,498	33	63,506		2	800		
Oliver			3,800					
Pembina	805		101,370			2,780		
Pierce	2,125	22	32,922		2	1,015		

Ramsey	7,710	1,788,000	88,410	.....	.....	.....	.....
Ransom	2,530	23	30,166	.....	23	11,955	.....
Renville	1,025	.....	45,628	.....	.....	550	500
Richland	4,800	65	101,460	.....	2	290	3,900
Rolette	1,415	898,000	61,121	.....	.....	300	1,500
Sargent	1,435	.....	81,669	.....	.....	2,450	1,348
Sheridan	395	.....	30,656	.....	.....	.....	.....
Stark	3,435	24	49,840	8	.....	5,075	18,000
Steele	770	21	41,100	.....	.....	.....	.....
Stutsman	3,748	52	81,832	.....	1	600	1,350
Towner	960	1,728,000	86,515	.....	.....	120	.....
Trail	1,875	2,058,000	82,549	1,800	.....	2,225	.....
Walsh	2,775	.....	123,406	.....	.....	.....	5,500
Ward	13,810	.....	70,968	.....	.....	2,035	.....
Wells	1,770	44	69,195	8	.....	3,100	.....
Williams	5,944	25	43,128	2	.....	1,125	.....
Total County Board.....	129,766	.....	2,643,030	.....	.....	59,295	44,610
Total State Board.....	129,766	.....	2,906,068	.....	.....	59,295	44,610

ABSTRACT OF ASSESSMENT OF PERSONAL PROPERTY EVERY COUNTY, AS EQUALIZED BY STATE BOARD, 1912—Cont'd.

County	26		27		28	
	D		A	B	C	All Other Property not included in the Preceding 27 Items
	Flour Mills less than 100 Bbl. Capacity		Gas and Water Mains and Pipes	Electric Light Plants	Water Works Systems	
	No.	Value in Dollars	Value in Dollars	Value in Dollars	Value in Dollars	
Adams	1	\$ 2,000	\$ 17,358	\$ 31	\$ 27,44	
Barnes			500		11,346	
Benson		125	3,024	900	15,836	
Billings	1	350	113,080	2,600	23,913	
Bottineau		2,128	3,107	40	24,470	
Bowman			32,232		22,659	
Burke			6,507	600	7,150	
Burling			65,513		171,396	
Cass		100	150,230	121,200	51,590	
Cavalier			135	2,000	7,820	
Dickey			844		11,022	
Divide			16,508	560	10,538	
Dunn		5,000	61,442		10,195	
Eddy			1,775	456	5,255	
Emmons			3,698	10	6,710	
Foster			1,430		8,035	
Grand Forks			11,750	28,500	19,340	
Griggs			30	2,700	10,432	
Hettinger			32,456	400	2,755	
Kidder			37,490		506	
LaMoure			1,930		19,834	
Logan		75	15,178	25	2,130	
McHenry			3,738		10,736	
McIntosh		2,500	8,560		7,579	
McKenzie	1	40	86,036		14,766	
McLean			9,396		12,515	
Mercer			13,578		2,433	
Morton		600	44,892		35,387	
Mountrail	1		18,651		5,231	
Nelson			725	3,150	10,299	
Oliver			2,753		873	
Pembina		825	190	1,900	7,474	
Pierce			1,675		7,865	
Ransom		550	295	7,700	10,863	
Ransom			215	800	10,109	

Renville	3,600	1,565	.....	.....	15	.....	4,000
Richland .....	.....	4,450	.....	.....	.....	.....	20,388
Rolette .....	.....	1,760	300	.....	.....	.....	5,508
Sargent	1,348	60	.....	.....	.....	.....	5,653
Sheridan .....	.....	2,850	.....	.....	.....	.....	2,010
Stark	800	36,000	.....	.....	.....	.....	15,098
Steele .....	.....	8,639	2,000	.....	.....	.....	8,175
Stutsman .....	.....	.....	.....	.....	.....	.....	19,432
Towner .....	.....	.....	.....	.....	.....	.....	5,310
Trail .....	.....	300	.....	.....	.....	.....	9,257
Walsh .....	.....	300	.....	.....	.....	.....	9,806
Ward	30	6,960	.....	.....	.....	.....	86,547
Wells	800	1,600	45	.....	100	.....	14,135
Williams .....	.....	30,180	.....	.....	50	.....	22,291
Total County Board	\$ 20,871	\$ 861,475	\$ 72,377	\$ 227,581	\$ 887	\$ 790,241	
Total State Board	\$ 20,871	\$ 861,475	\$ 72,377	\$ 227,581	\$ 887	\$ 790,241	

TABLE SHOWING RAILROAD ASSESSMENT FOR 1912, CLASSIFIED AND DISTRIBUTED TO COUNTIES ON MILEAGE BASIS

County and Name of Ry. Co.	Main		2nd Main		Branch		Sidings		Double	
	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per Mile
Adams— C. M. & Puget Sound	46,770	\$ 8,440	.....	\$ .....	.....	\$ .....	5,820	\$ 1,690	.....	\$ .....
Barnes— Northern Pacific	37,080	14,625	.....	.....	52,127	7,315	23,940	1,690	9,727	7,315
G. N. F. S. L.	52,680	11,250	.....	.....	10,450	2,000	1,140	500	.....	.....
Soo .....	.....	.....	.....	.....	.....	.....	8,290	1,690	.....	.....
Beason— G. N. F. D. L.	30,980	14,625	19,560	10,125	4,830	7,315	10,560	1,690	.....	.....
Northern Pacific .....	.....	.....	.....	.....	63,921	7,315	7,140	1,690	.....	.....
Soo, F. D. ....	.....	.....	.....	.....	30,500	1,000	.....	.....	.....	.....
Billings— Northern Pacific	45,363	14,625	.....	.....	.....	.....	11,125	1,690	.....	.....
C. M. & Puget Sound	9,110	8,440	.....	.....	.....	.....	8,270	1,690	.....	.....
Bottineau— Great Northern .....	.....	.....	.....	.....	100,110	7,315	11,350	1,690	.....	.....
Soo .....	.....	.....	.....	.....	60,250	7,315	6,880	1,690	.....	.....
Borman— C. M. & P. S.	46,190	8,440	.....	.....	.....	.....	17,460	1,690	.....	.....
Burke— Great Northern	25,500	11,250	.....	.....	36,990	7,315	1,910	1,690	.....	.....
Soo .....	.....	.....	.....	.....	247,750	7,315	7,120	1,690	.....	.....
G. N. Stanley N. W. ....	.....	.....	.....	.....	13,290	3,000	.770	1,690	.....	.....
Burling— Northern Pacific	37,966	14,625	.....	.....	.....	.....	.....	.....	.....	.....
Soo .....	.....	.....	.....	.....	15,755	7,315	20,788	1,690	.....	.....
Northern Pacific .....	.....	.....	.....	.....	58,950	7,315	10,760	1,690	.....	.....
Cass— Northern Pacific	43,022	14,625	.....	.....	32,177	3,000	.....	.....	.....	.....
Great Northern	29,190	14,625	54,490	10,125	57,141	7,315	31,449	1,690	36,813	5,625
G. Nor. F. S. L. ....	.....	.....	.....	.....	53,670	7,315	35,310	1,690	.....	.....
Soo	4,930	11,250	.....	.....	47,450	2,000	6,940	500	.....	.....
C. M. & St. P. ....	.....	.....	.....	.....	18,430	8,440	2,390	1,690	.....	.....
Cavaller— Great Northern .....	.....	.....	.....	.....	80,430	7,315	8,830	1,690	.....	.....
Soo .....	.....	.....	.....	.....	31,640	7,315	2,220	1,690	.....	.....
Farmers Grain & Shipping Co. ....	.300	3,940	.....	.....	.....	.....	.....	.....	.....	.....
Dickey— Great Northern .....	.....	.....	.....	.....	39,330	7,315	4,210	1,690	.....	.....
Northern Pacific .....	.....	.....	.....	.....	16,383	7,315	2,478	1,690	.....	.....
C. & Northwestern .....	.....	.....	.....	.....	14,280	6,750	1,756	1,690	.....	.....
C. M. & St. P. ....	.....	.....	.....	.....	25,000	7,315	1,830	1,690	.....	.....
Soo .....	.....	.....	.....	.....	44,350	7,315	3,690	1,690	.....	.....
Divide— Great Northern .....	.....	.....	.....	.....	16,880	7,315	2,670	1,690	.....	.....

Soo	Gr. Northern, Stanley N. W.	26,180	7,315	1,930	1,690
Duna	No Railway	.320	3,000	.480	1,690
Eddy	Great Northern				
G. Nor. F. S. L.					
Northern Pacific					
Enmons					
Northern Pacific					
C. M. & St. P.					
Soo					
Foster					
Northern Pacific					
G. Nor. F. S. L.					
Soo					
Grand Forks					
Northern Pacific					
Great Northern					
Soo F. S. L.					
Griggs					
Northern Pacific					
G. Nor. F. S. L.					
Hettinger					
Northern Pacific					
C. M. & P. S.					
Kidder					
Northern Pacific					
Northern Pacific					
LaMoure					
Northern Pacific					
C. M. & St. P.					
Soo					
Midland, Cont.					
Logan					
Northern Pacific					
Soo					
McHenry					
Great Northern					
G. Nor. F. S. L.					
Soo					
McIntosh					
Soo, Ford D. L.					
C. M. & St. P.					
Soo					
McKenzie					
No Railroad					
McLean					
Northern Pacific					
Soo					
Northern Pacific					
Mercer					
Northern Pacific					

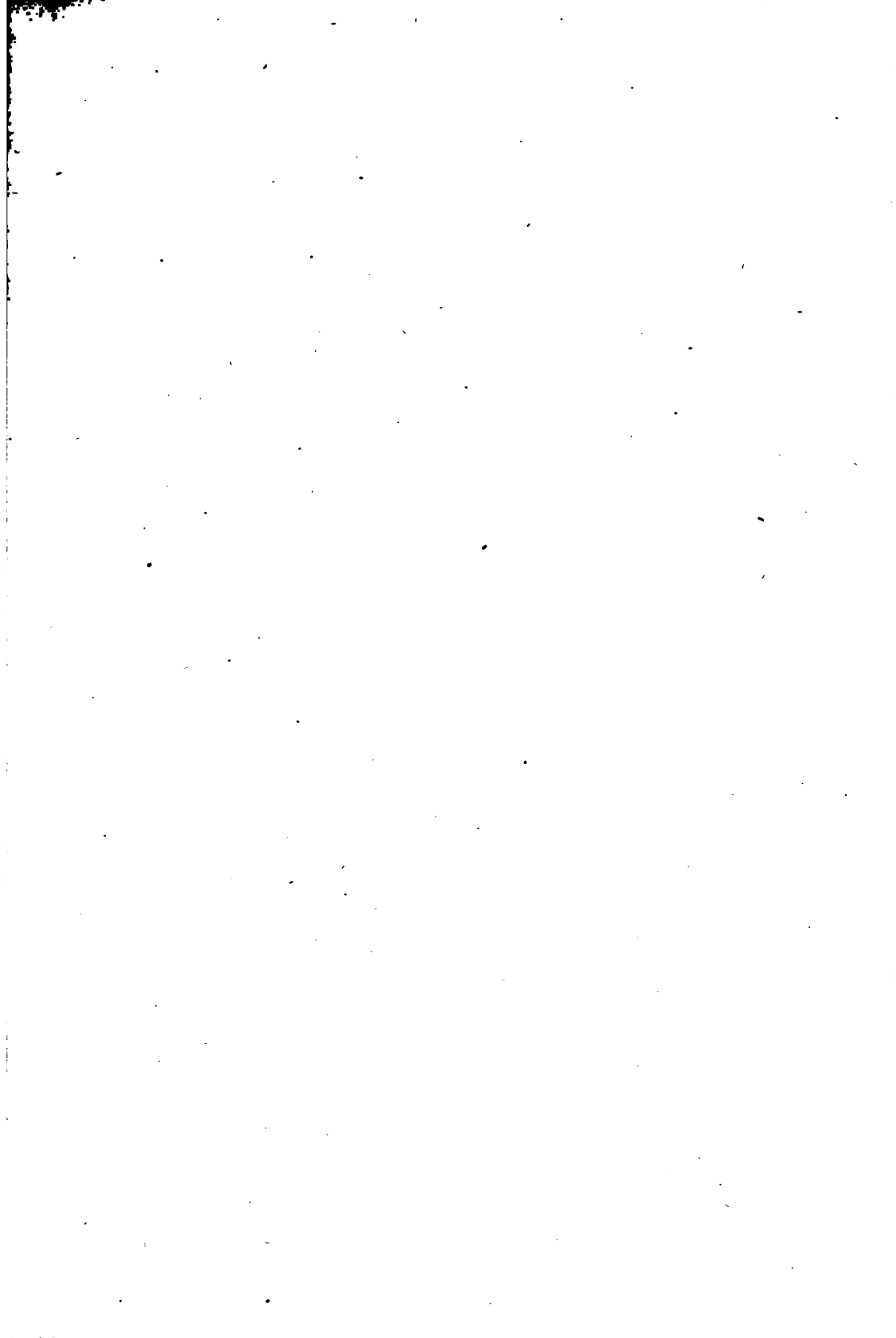
TABLE SHOWING RAILROAD ASSESSMENT FOR 1912, CLASSIFIED AND DISTRIBUTED TO COUNTIES ON MILEAGE BASIS
—Continued.

County and Name of Ry Co.	Main		2nd Main		Branch		Sidings		Double	
	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per Mile	Miles	Dollars per mile
Morton—	76.030	14,625			98,865	7,315	41,248	1,690		
Northern Pacific					55,380	3,940	1,960	1,690		
C. M. & P. S.					11,970	3,000				
Northern Pacific, Stanjon										
Mountain—	47.440	14,625			2,520	7,315	9,450	1,690		
Great Northern					5,490	7,315	920	1,690		
Soo					22,780	3,000	950	1,690		
G. N. Stanley										
Nelson—	25.510	14,625	28,750	10,125	11,020	7,315	14,100	1,690		
Great Northern					24,320	1,000				
Soo, Ford D. L.										
Oliver—					15,684	3,000				
Northern Pacific					15,996	2,000				
Pembina—										
Northern Pacific			32,537	10,125			5,637	1,690		
Great Northern			33,250	10,125	38,640	7,315	7,130	1,690		
Northern Dak.	17,000	600					2,140	1,200		
Pierce—										
Great Northern	18,010	14,625			29,580	7,315	7,970	1,690		
G. N. F. S. L.					17,900	2,000	3,630	500		
Soo	2,000	11,250								
Soo, Ford D. L.					22,500	1,000				
Ramsey—	40,104	14,625	6,690	10,125					19,090	5,625
Great Northern					36,320	7,315	35,410	1,690		
Soo					310	7,315				
Soo, Ford D. L.					37,150	1,000	3,430	395		
Farmers Grain & Ship. Co.	30,960	8,940					500	225		
D. Lake & Chatauqua	4,780	675								
Ransom—										
Northern Pacific					41,808	7,315	6,860	1,690		
Soo	23,340	11,250					9,830	1,690		
Renville—										
G. N.					26,970	7,315	3,250	1,690		
Soo	5,190	11,250			29,650	7,315	2,100	1,690		
Richard—										
Great Northern			33,170	10,125	40,430	7,315	10,340	1,690		
Northern Pacific					46,884	7,315	5,200	1,690		
C. M. & St. P.					50,970	8,440	3,210	1,690		
Soo	45,060	11,250			17,080	7,315	10,400	1,690		
Rolette—										
Great Northern					42,490	7,315	6,970	1,690		
Soo					30,420	7,315	1,750	1,690		

[illegible]

SUMMARY OF RAILROAD ASSESSMENT

	Main	2nd Main	Double	Branch	Siding	Total	Total Ass. Val.
Great Northern	428,540	261,830	22,170	1,130,750	365,690	2,208,980	\$ 16,485,922
Northern Pacific	377,604	96,237	46,540	962,689	289,988	1,773,056	13,658,603
Soo	361,000	.....	.....	878,810	131,490	1,371,300	9,813,897
C. M. & St. P. ....	.....	.....	.....	152,210	10,760	162,970	1,209,876
C. M. & P. S.	102,500	.....	.....	123,070	38,300	263,870	1,414,721
Farmers Grain & Ship. Co.	52,820	.....	.....	.....	5,470	68,290	210,271
Midland	26,609	.....	.....	.....	1,287	27,896	53,862
Brandon D. L. & S.	13,050	.....	.....	.....	1,720	14,770	52,096
O. & N. W. ....	.....	.....	.....	14,280	1,756	16,036	99,358
Northern Dakota	20,070	.....	.....	.....	2,330	22,400	12,508
D. Lake & Chatauqua	4,780	.....	.....	.....	.500	5,280	3,340
	1,386,973	358,067	68,710	3,261,809	849,289	5,924,848	\$ 42,993,654



Rollette	30,420	.....	14,740	.....	.....
Sargent	38,730	.....	46,630	.....	17,200
Sheridan	7,970	.....	.....	9,718	.....
Stark	.....	.....	.....	58,861	.....
Steele	.....	.....	35,380	106,003	.....
Stutsman	19,100	.....	33,400	.....	.....
Towner	45,920	.....	82,980	.....	.....
Trall	.....	.....	82,980	.....	.....
Walsh	68,380	.....	67,080	30,193	.....
Ward	96,760	.....	44,650	.....	.....
Wells	43,180	.....	.....	6,953	.....
Williams	.....	.....	63,780	.....	.....
Standing Rock I. R.	.....	23,860	.....	.....	.....
Total Mileage	1,109,120	225,570	1,103,020	845,526	14,280
Total Assessment \$	62,110.00 \$	12,631.00			\$ 226,428.00
					Total Mil. Western Union 2,116,148

D. K. BRIGHTBILL,
State Auditor, 1912.

NORTH DAKOTA'S TELEPHONE PROPERTY ASSESSMENT—1912.

County	Population 1910 U. S. C.	Rural			Long Distance			
		Miles of Poles	Miles of Iron Wire	No. of Subscribers Stations on this Mileage	Assessed Valuation in Dollars	Pole Mileage	Miles of Iron Wire	Miles of Copper Wire
Adams	5,407	12	12	6	240	54	270	105
Barnes	18,066	637	1,154	718	12,013	249	1,008	2,400
Benson	12,681	151	154	280	1,986	131	243	22,846
Billings	10,186	408	579	440	6,362	129	76	8,678
Bottineau	17,295	437	695	354	5,967	129	376	1,632
Bowman	4,668	35	45	30	455	82	74	4,213
Burke	8,864	346	362	479	5,844	53	45	2,513
Burleigh	13,087	16	42	33	297	482	129	2,332
Cass	33,935	700	1,318	943	14,190	301	281	8,831
Cavalier	15,659	565	1,004	570	10,994	108	650	47,285
Dickey	9,839	556	533	491	6,237	151	280	9,889
Divide	6,112	71	94	103	1,472	64	151	2,445
Dunn	5,302	59	106	35	1,154	63	126	1,548
Eddy	4,800	353	398	325	4,537	25	34	2,197
Emmons	9,796	71	81	81	750	25	77	2,344
Foster	5,313	254	354	409	6,323	81	62	1,512
Grand Forks	27,888	543	1,417	617	11,536	271	106	5,330
Griggs	6,274	806	217	178	5,136	15	16	37,959
Hettinger	6,557	18	29	20	414	102	89	1,729
Kidder	3,962	59	295	22	565	59	119	3,480
LaMoure	10,724	387	295	427	5,839	188	200	4,552
Logan	6,168	29	14	19	598	70	196	7,397
McHenry	17,627	310	478	256	4,934	91	337	1,240
McIntosh	7,251	9	9	9	135	45	155	5,361
McKenzie	5,720	157	389	180	3,448	128	635	740
McLean	14,578	43	47	58	541	45	249	5,784
Mercer	4,665	43	38	38	541	128	170	635
Morton	25,289	64	74	56	790	294	380	9,644
Mountrail	8,491	50	60	54	590	47	94	2,678
Nelson	10,140	417	822	496	9,660	133	174	12,991
Oliver	8,577	137	157	120	1,665	82	47	359
Pembina	14,749	278	707	495	6,160	116	145	9,844
Pierce	9,740	351	351	141	5,303	116	216	2,477
Ransom	15,199	425	572	359	6,408	116	552	12,076
Ransom	10,345	325	497	297	4,497	38	101	4
Beauregard	8,032	493	913	429	7,237	180	443	1,242
Richland	19,659	717	753	431	12,611	180	490	18,128

Rolette	9,558	139	148	102	2,074	58	149	65	1,824
Sargent	9,202	511	489	453	6,923	112	182	180	6,367
Sheridan	8,103	232	476	348	4,620	81	62	118	2,079
Stark	12,504	85	161	63	1,351	111	211	237	6,576
Steele	7,616	430	648	641	6,817	83	102	504	6,409
Stutsman	18,189	440	494	435	8,331	195	546	41	18,038
Towner	8,963	310	505	250	6,538	39	141	484	1,917
Trall	12,545	508	1,100	1,044	8,942	120	169	17	13,115
Walsh	19,491	380	615	560	7,075	24	33	299	23,535
Ward	25,368	586	868	508	9,903	101	322	117	6,904
Wells	11,814	630	732	489	8,438	95	222	184	7,721
Williams	14,131	139	219	162	2,648	14	257		5,749
Totals	577,129	14,177	21,144	14,889	\$ 240,606	5,046	8,500	12,231	\$ 363,381

NORTH DAKOTA'S TELEPHONE PROPERTY ASSESSMENT—1912,—Continued

County	No. of Exchanges in this County	No. of Subscribers in Exchanges	Exchanges					Assessed Valuation in Dollars	Total Assessed Valuation All Telephone Property in County
			No. of Poles in Exchanges	Miles of Wire on Poles in Exchanges	Aerial Cable in Exchange Systems Feet	Under Ground Cable in Exchanges Feet			
Adams	2	143	146	40	.....	.....	\$	2,186	4,826
Barnes	12	1,214	1,488	574	250	.....	.....	20,965	55,724
Benson	8	420	825	116	.....	.....	.....	6,050	16,714
Billings	3	274	291	59	.....	.....	.....	3,910	11,904
Bottineau	11	637	482	152	2,640	.....	.....	8,044	18,224
Bowman	3	189	179	44	.....	.....	.....	2,592	5,560
Burke	5	193	450	74	.....	.....	.....	2,080	10,256
Burleigh	2	1,025	255	16	1,247	.....	.....	20,370	29,498
Cass	10	4,253	6,551	1,277	2,034	5,083	.....	30,893	142,368
Cavalier	10	647	593	119	.....	.....	.....	9,102	29,185
Dickey	3	445	210	93	173	.....	.....	2,047	15,616
Divide	3	173	171	30	.....	.....	.....	170	3,521
Dunn	1	17	.....	.....	.....	.....	.....	3,280	10,161
Eddy	2	217	141	.....	.....	.....	.....	1,582	3,844
Emmons	2	137	135	43	.....	.....	.....	5,759	17,412
Foster	4	349	295	83	.....	.....	.....	78,321	127,836
Grand Forks	4	3,719	3,037	956	17,369	12,192	.....	16,090	22,955
Griggs	7	889	30	7	.....	.....	.....	2,087	5,981
Hettinger	5	167	210	21	.....	.....	.....	1,215	6,332
Kidder	2	103	97	22	.....	.....	.....	7,637	20,893
Kla Moore	3	553	348	197	.....	.....	.....	1,145	2,983
Logan	8	99	136	28	.....	.....	.....	7,542	17,837
McHenry	3	588	928	931	.....	.....	.....	1,180	2,065
McIntosh	10	100	135	37	.....	.....	.....	4,743	13,975
McKenzie	3	.....	.....	.....	.....	.....	.....	65	606
McLean	6	366	298	138	.....	.....	.....	8,283	18,717
Mercer	1	52	50	20	.....	.....	.....	2,354	5,622
Morton	5	536	301	59	.....	.....	.....	4,087	26,738
Mountrail	1	173	188	44	.....	.....	.....	7,117	23,121
Nelson	3	357	2,039	125	59	.....	.....	3,500	11,280
Oliver	.....	.....	.....	.....	.....	.....	.....	14,012	32,494
Pembina	9	548	334	204	94	.....	.....	9,737	14,243
Pierce	2	230	120	33	2,640	.....	.....	4,977	13,476
Ramsey	9	839	1,531	237	344	.....	.....	14,571	45,310
Ransom	3	565	1,048	273	.....	.....	.....	.....	.....
Renville	3	524	130	62	.....	.....	.....	.....	.....
Richland	7	748	1,063	307	753	.....	.....	.....	.....

Rolette	4	149	134	24	924	.....	1,677	5,575
Sargent	10	433	213	56	.....	.....	5,550	13,540
Sheridan	3	191	195	58	.....	.....	2,272	8,971
Stark	7	867	350	51	564	.....	10,860	18,787
Steele	3	247	800	33	.....	.....	4,421	17,647
Stutsman	7	1,335	1,753	388	1,203	.....	27,306	53,670
Towner	6	362	367	65	660	.....	5,197	13,652
Trail	5	540	310	32	.....	.....	7,747	29,804
Walsh	10	700	1,355	1,768	239	.....	10,290	40,900
Ward	9	1,451	1,346	180	1,320	860	25,377	42,684
Wells	7	468	397	134	.....	.....	6,714	22,873
Williams	4	552	126	112	300	.....	9,142	17,539
Totals	250	28,604	31,581	9,242	32,813	17,935	481,580	1,085,567

D. K. BRIGHTBILL,
State Auditor, Bismarck.

NORTH DAKOTA EXPRESS COMPANIES ASSESSMENT—1912.

Company	Northern		Gt. Nor.		Wells-Fargo		Western		American	
	Nor. Pac.		Gt. Nor.		C. M. & St. P. C. M. & P. S.		Soo		C. & N. W.	
	\$100	Miles	\$100	Miles	\$90	Miles	\$80	Miles	\$45	Miles
Assessed Per Mile										
County										
Adams					46.770					
Barnes	89.207					52.680				
Benson	63.921		55.470		9.110					
Billings	45.363						60.250			
Bottineau			100.110		46.190					
Bowman							50.230			
Burke			36.990				58.950			
Burling	63.721						4.930			
Cass	100.163		137.350		18.430		31.640			
Cavalier			80.430				44.350		14.280	
Dickey	39.330		39.330		25.000		26.180			
Divide	16.383		16.880							
Dunn										
Eddy	19.556		4.020							
Emmons	29.563				26.850		16.650			
Foster	30.102						25.830			
Grand Forks	33.507		121.230							
Griggs	36.973									
Hettinger	13.880				44.260					
Kidder	30.142									
Lamoure	91.318				6.810		10.420			
Logan	5.639						44.050			
McHenry							54.680			
McIntosh					7.150		48.840			
McKenzie			78.880							
McLean							102.970			
Mercer	11.021									
Morton	186.865				55.380		5.490			
Mountrail			49.960							
Nelson	65.280		65.280							
Oliver	15.684									
Pembina	32.537		71.890							
Pierce			47.590							
Ramsey	83.150		83.150				2.000			
Ransom	41.808						210			
Renville			26.970				23.340			
Richland	46.884		73.600		50.970		34.840			
							62.140			

Rolette	37,066	42,490	17,200	30,420
Sargent	30,967	46,630	.....	36,780
Sheridan	58,838	.....	.....	7,970
Stark .....	.....	35,380	.....	.....
Steele .....	.....	.....	.....	.....
Stutsman	116,825	.....	.....	19,100
Towner .....	.....	33,400	.....	45,920
Trail .....	.....	84,490	.....	.....
Walsh	30,193	67,420	.....	68,380
Ward .....	.....	82,760	.....	96,750
Wells	36,671	.....	.....	43,180
Williams	14,715	65,000	.....	.....
Standing Rock Indian Reservation .....	.....	.....	23,860	.....
Total Mileage	1,319,512	1,545,200	377,780	1,109,120
Total Assessed Value	\$ 131,951.00	\$ 154,520.00	\$ 34,004.00	\$ 66,558.00
				\$ 642.00

D. K. BRIGHTBILL,
State Auditor, 1912.

ASSESSED VALUATION OF ALL PROPERTY—NORTH DAKOTA—1912.

County	Acreage Assessed 1912	Railway Mileage 1912	Assessed Value Per Acre State Board 1912	Real Estate Assessed 1912	Personal Property Assessed 1912	Railroads Assessed 1912
Adams	519,827	52.6	\$ 3.25	\$ 1,951,553	\$ 428,918	\$ 404,575
Barnes	938,534	185.4	6.08	7,357,182	1,529,876	1,663,346
Benson	737,294	161.5	4.39	3,832,899	1,154,648	1,215,183
Billings	1,331,714	178.6	2.67	4,116,770	1,534,704	1,774,012
Bottineau	1,086,731	183.7	4.65	6,103,463	1,607,103	1,203,842
Bowman	448,260	63.7	3.13	1,754,122	601,075	419,351
Burke	640,626	110.3	3.54	2,645,073	561,982	794,789
Burlingh	925,297	176.3	3.59	4,635,913	1,294,654	1,251,567
Cass	1,093,159	420.4	7.52	13,836,963	3,549,007	3,051,321
Cavaller	960,322	123.4	4.88	5,598,751	1,249,894	839,649
Dickey	693,521	153.3	4.74	4,072,592	846,421	1,034,826
Divide	612,835	48.5	3.54	2,442,842	612,429	324,529
Dunn	672,181	.....	2.43	1,802,090	695,443	.....
Eddy	378,822	57.6	4.60	2,113,526	472,462	237,661
Emmons	869,822	76.9	3.32	3,137,322	817,939	540,843
Foster	405,923	91.5	5.16	2,552,941	544,187	573,289
Grand Forks	902,304	221.3	6.59	9,716,554	2,453,193	1,857,439
Griggs	451,205	75.1	6.11	3,486,524	935,035	337,838
Hettinger	532,958	64.1	3.03	2,071,968	616,591	285,982
Kidder	732,998	73.3	3.08	2,451,006	589,920	552,554
Lamoure	716,311	146.2	4.87	4,202,470	1,111,916	561,025
Logan	558,428	52.	3.46	2,162,581	583,640	367,344
McHenry	1,132,248	209.	4.02	5,399,923	1,420,281	1,320,962
McIntosh	568,518	59.5	3.47	2,287,981	610,719	416,431
McKenzie	689,572	.....	2.03	1,526,589	761,657	349,478
McLean	1,036,482	123.	3.28	3,907,059	1,060,310	17,100
Mercer	497,725	8.5	3.07	1,603,742	473,685	2,162,264
Morton	1,776,825	285.5	2.95	6,376,288	1,797,294	839,922
Mountrail	735,687	89.6	3.03	2,569,173	708,509	792,963
Nelson	619,618	103.7	5.28	3,903,513	1,023,545	79,044
Oliver	334,090	31.7	2.85	1,166,089	282,835	79,044
Pembina	707,694	136.5	5.37	4,558,575	1,139,780	980,950
Pierce	615,935	101.6	4.16	2,983,287	683,278	575,879
Ransom	740,579	214.7	4.88	4,969,560	1,293,161	1,252,361
Ransom	537,683	81.8	5.10	3,365,032	747,917	596,607
Renville	547,987	67.2	4.02	2,524,933	571,345	481,606
Richland	898,770	282.7	6.59	7,247,924	1,613,298	2,065,893
Rolette	507,052	31.6	4.22	2,512,241	698,830	348,073

Sargent	530,014	148.8	5.17	3,146,837	851,231	1,025,601
Sheridan	541,112	41.9	3.65	2,187,652	568,402	309,448
Stark	716,505	88.2	3.28	3,441,636	1,083,255	910,165
Steele	452,209	46	6.32	3,305,103	798,055	373,925
Stutsman	1,886,453	218.6	4.73	8,298,256	1,525,024	1,803,429
Towner	628,146	123.9	4.76	3,662,833	1,748,991	868,054
Trail	542,605	100.2	7.13	4,755,059	1,708,419	868,405
Walsh	817,304	198.6	6.13	6,068,539	1,323,866	1,417,903
Ward	1,191,810	224	3.53	6,724,740	1,831,334	1,982,460
Wells	792,007	123.2	4.34	4,062,855	1,006,489	829,836
Williams	994,021	101.1	3.34	4,422,440	1,192,705	1,030,531
Standing Rock Indian Res. ....	.....	40.3	.....	.....	.....	206,462
Total 1911	35,580,758	5,336.2	4.33	193,583,578	51,621,922	41,300,787
Total 1912	36,838,697	5,924.8	4.31	199,073,743	50,867,111	42,993,654

ASSESSED VALUATION OF ALL PROPERTY—NORTH DAKOTA—1912.—Continued

County	Telegraph Assessed 1912	Telephone Assessed 1912	Express Assessed 1912	Street Railways Assessed 1912	Total Assessed Valuation All Property 1912
Adams	2,619	4,826	4,209		2,794,700
Barnes	9,206	54,474	12,082	7,500	10,633,065
Benson	7,168	16,714	11,939		6,238,451
Billings	5,362	11,939	5,366		6,448,108
Bottineau	3,374	11,904	13,026		6,949,692
Bowman	2,587	18,224	4,157		2,786,852
Burke	6,771	5,560	6,713		4,025,584
Burling	7,363	10,256	8,909		7,227,804
Cass	23,572	29,498	29,388	33,660	20,716,279
Cavalier	6,757	142,968	9,941		7,735,177
Dickey	10,639	29,185	11,125		5,951,219
Divide	1,468	15,616	3,259		3,389,692
Dunn		5,067			2,501,054
Eddy	2,080	3,921	2,376		2,838,275
Emmons	3,924	10,161	6,372		4,510,244
Foster	4,218	3,944	4,560		3,696,587
Grand Forks	16,478	17,442	15,474	20,910	14,207,881
Griggs	1,611	127,858	3,697		4,787,680
Hettinger	2,479	22,855	5,871		2,888,382
Kidder	1,611	5,981	3,014		3,606,020
LaMoure	3,225	6,332	10,352		6,204,806
Logan	2,467	20,393	3,207		3,072,222
McHenry	6,986	2,983	10,969		8,376,948
McIntosh	3,500	17,837	10,969		3,323,260
McKenzie		17,837	3,574		2,288,881
McLean	5,766	635	7,280		5,843,868
Mercer		13,975			2,095,133
Morton	11,238	606			10,389,474
Mountrail	5,085	18,717	23,673		4,133,636
Nelson	2,854	5,922	5,925		5,756,141
Oliver		26,738	6,528		1,631,211
Pembina	10,637	1,865	1,578		6,723,506
Pierce	3,734	23,121	10,443		4,262,334
Ransom	5,063	11,260	4,879		7,560,367
Ransom	3,739	32,494	8,328		4,735,110
Renville	1,951	14,234	5,581		3,598,098
Richland	20,108	13,476	20,363	500	11,033,368

Rolette	3,281	5,575	6,074	3,774,074
Sargent	9,327	18,840	12,122	5,064,558
Sheridan	446	8,971	3,581	3,078,500
Stark	6,298	18,787	5,884	5,466,025
Steele	3,539	17,647	3,588	4,501,057
Stutsman	12,412	53,670	12,829	11,507,950
Towner	6,146	13,652	6,095	5,293,771
Trail	8,880	29,804	8,449	6,777,076
Walsh	14,237	40,900	13,864	8,884,279
Ward	10,196	42,684	14,081	10,605,495
Wells	3,162	22,873	6,258	5,931,473
Williams	6,824	17,539	6,500	6,676,539
Standing Rock Indian Res.	1,336	.....	.....	207,798
Total 1911	349,839	1,176,272	383,463	288,475,341
Total 1912	\$ 301,170	\$ 1,084,317	\$ 387,760	\$ 294,770,325

This statement reflects truly and accurately the assessed valuation of all property assessed in North Dakota in 1912—and equalized by the State Board of Equalization.

Auditor's Office, Bismarck N. D., November 14th, 1912.

D. K. BRIGHTBILL,
State Auditor of North Dakota.
Sec. N. D. State Board of Equalization.

REPORT OF TAX COMMISSION.

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911.

County	Value of Land Exclusive of Structures and Imprvts.		Value of Structures and Imprvts. on Land		No. of Acres of Land Exclusive of Town		Average Value per Acre		Value of Town and City Lots Exclusive of Structures	
	Dollars	\$	Dollars	\$	Acres	\$	Dollars	\$	Dollars	\$
Adams	1,423,444	\$	59,340	\$	465,178	\$	3.08	\$	108,082	
Barnes	5,672,176		447,207		938,209		6.05		521,788	
Benson	2,977,764		248,125		722,923		4.12		138,961	
Billings	3,325,700				1,216,929		2.73		132,608	
Bottineau	4,876,661		409,369		1,061,381				253,937	
Bowman	1,183,328		59,938		382,198		3.10		184,011	
Burke	2,195,758		111,004		619,802				82,066	
Burleigh	8,208,175		150,428		899,452		3.58		560,988	
Cass	8,218,517		581,982		1,093,367		7.52		1,862,843	
Cavalier	4,615,411		350,970		949,479				233,306	
Dickey	3,183,560		193,552		693,593		4.58		266,248	
Divide	2,021,580		91,471		546,492		3.70		61,951	
Dunn	1,586,887		38,140		636,161		2.47 1/2		1,719	
Eddy	1,713,697		127,569		374,040		4.58		83,346	
Emmons	2,855,323		133,920		845,803		5.44		43,778	
Foster	2,105,330		167,837		405,641		5.21		95,190	
Grand Forks	6,340,780				902,982		6.56		3,315,733	
Griggs	2,730,458		228,170		447,055				123,452	
Hettinger	1,513,338		74,877		506,374		3.00		101,827	
Kidder	2,063,406		107,413		674,131		3.09		38,008	
LaMoure	3,509,365		243,321		716,511		4.89		191,712	
Logan	1,836,338		130,473		531,266		3.45		39,436	
McHenry	4,527,735		294,824		1,124,247		4.02		191,954	
McIntosh	1,883,418		132,488		543,569		3.48		55,720	
McKenzie	1,028,105		64,544		579,064		1.91		7,350	
McLean	3,334,995		195,744		1,006,197		3.31		84,092	
Mercer	3,393,204		442,657		442,657				12,092	
Morton	4,731,951		203,483		1,658,755		2.85		421,050	
Mountrail	2,033,527		143,126		678,020		3.00		31,010	
Nelson	3,183,396		216,142		619,275		5.12		185,511	
Oliver	985,217		35,310		385,197		2.59		4,620	
Pembina	3,738,208		321,609		707,486		5.38		156,068	
Pierce	2,503,545		180,002		566,211		4.10		107,960	

Ramsey	3,560,297	270,583	740,418	4.81	445,570
Ransom	2,771,199	167,135	536,556	5.16	131,833
Renville	2,173,728	143,371	548,689	3.96	54,706
Richland	5,926,614	475,716	898,367	6.59	244,815
Rokette	2,086,752	140,197	501,750	4.15	110,904
Sargent	2,697,042	166,471	527,411	5.11	83,888
Sheridan	1,934,863	76,772	523,292	.....	66,511
Stark	2,568,308	202,460	823,252	.....	266,489
Steele	2,859,310	220,635	452,295	.....	64,803
Stutsman	6,303,212	484,391	1,344,915	4.69	420,980
Towner	2,868,605	245,550	.....	.....	138,322
Trall	4,032,929	264,742	542,558	7.43	144,337
Walsh	5,015,707	376,982	817,315	6.14	229,286
Ward	4,465,089	261,854	1,169,803	.....	778,852
Wells	3,452,582	230,362	790,624	4.36	120,888
Williams	3,006,245	186,353	886,884	.....	439,708
Total	\$ 154,395,622	\$ 9,692,471	35,032,000	\$	13,498,511

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911—Continued

County	Value of Structs on Town and City Lots		Value of all Taxable Personal Property		TOTAL VALUE		Average Rate of Taxation	TOTAL TAXES LEVIED	
	Dollars	\$	Dollars	\$	Dollars	\$	Mills	Dollars	\$
Adams	103,978	\$	924,429	\$	2,617,273	\$	.....	110,886.98	.....
Barnes	686,848	.....	3,280,608	.....	10,608,807	.....	33.	350,163.14	.....
Benson	261,218	.....	2,363,509	.....	5,989,577	.....	.....	221,952.49	.....
Billings	190,839	.....	2,423,003	.....	6,070,150	.....	51.1	168,591.91	.....
Botineau	466,485	.....	2,834,188	.....	8,839,540	.....	38.9	343,345.95	.....
Bowman	148,542	.....	1,123,862	.....	2,704,681	.....	44.5	120,452.38	.....
Burke	121,739	.....	1,330,555	.....	3,844,122	.....	.....	191,538.19	.....
Burleigh	589,921	.....	2,398,388	.....	6,908,398	.....	.....	306,178.16	.....
Cass	3,106,159	.....	6,689,474	.....	20,453,875	.....	41.1	841,867.92	.....
Cavalier	359,921	.....	2,098,923	.....	7,707,631	.....	.....	285,713.67	.....
Dickey	335,460	.....	1,970,846	.....	6,939,666	.....	.....	220,318.49	.....
Divide	106,808	.....	959,382	.....	3,241,190	.....	39.3	127,391.94	.....
Dunn	13,408	.....	746,495	.....	2,386,646	.....	22.4	87,341.12	.....
Eddy	107,430	.....	650,986	.....	2,683,034	.....	38.1	102,414.73	.....
Emmons	85,247	.....	1,416,703	.....	4,534,971	.....	.....	148,842.58	.....
Foster	156,675	.....	1,093,289	.....	3,618,321	.....	.....	154,667.31	.....
Grand Forks	.....	.....	4,414,290	.....	14,070,325	.....	.....	709,192.43	.....
Griggs	345,405	.....	1,201,350	.....	4,628,836	.....	.....	132,703.78	.....
Hettinger	102,600	.....	971,080	.....	2,763,722	.....	.....	123,993.40	.....
Kidder	68,574	.....	1,068,907	.....	3,367,008	.....	30.	104,105.71	.....
LaMoure	268,378	.....	1,962,440	.....	6,165,216	.....	.....	225,834.14	.....
Logan	60,910	.....	957,380	.....	3,024,537	.....	32.	94,699.57	.....
McHenry	356,219	.....	2,902,718	.....	8,273,450	.....	.....	332,056.99	.....
McIntosh	147,750	.....	675,917	.....	2,866,188	.....	.....	79,629.64	.....
McKenzie	14,180	.....	750,578	.....	1,864,757	.....	20.4	94,251.78	.....
McLean	222,236	.....	2,002,580	.....	5,830,647	.....	38.6	227,123.60	.....
Mercer	9,623	.....	483,283	.....	1,931,721	.....	.....	74,296.68	.....
Morton	485,798	.....	3,633,161	.....	9,455,443	.....	38.6	368,410.31	.....
Mountain	133,723	.....	1,613,012	.....	3,904,398	.....	45.805	178,841.19	.....
Nelson	261,660	.....	1,772,002	.....	5,579,711	.....	.....	196,146.07	.....
Oliver	1,497	.....	299,368	.....	1,305,912	.....	30.35	41,595.33	.....
Pembina	300,996	.....	2,142,405	.....	6,719,285	.....	.....	287,325.01	.....
Pierce	140,000	.....	1,233,211	.....	4,166,718	.....	.....	182,047.57	.....

Ramsey	596,414	2,449,739	7,322,603	.....	312,294.91
Ransom	308,583	1,379,018	4,755,738	43.7	207,642.32
Reardle	122,646	1,032,868	3,547,319	52.5	186,934.75
Richland	580,782	3,792,471	11,030,368	.....	366,983.50
Rodette	161,658	1,244,921	3,744,432	.....	152,086.48
Sargent	139,425	1,900,218	4,986,844	.....	152,860.12
Sheridan	54,080	977,005	3,109,231	.....	89,398.95
Stark	476,440	2,005,185	5,518,882	.....	229,848.53
Steele	139,910	1,134,606	4,419,204	.....	140,391.09
Stutsman	890,508	3,065,151	11,164,242	.....	375,296.26
Towner	262,071	1,589,876	5,227,424	.....	206,610.56
Trall	308,327	2,013,994	6,764,329	.....	7.88
Walsh	455,617	2,753,658	8,831,249	.....	209,490.25
Ward	1,018,982	3,879,642	10,404,369	36.3	320,224.69
Wells	250,526	1,783,083	5,843,441	.....	612,804.24
Williams	447,550	2,206,814	6,286,670	.....	211,558.01
				.....	344,281.36
Total	\$ 15,963,746	\$ 98,513,771	\$ 287,064,121	\$	\$ 11,366,832.97

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911—Continued

County	STATE TAXES						
	General Fund 3. Mills	State Bond Interest Fund 1-10 Mill	Educational Institution (Mill Tax) 1 Mill	Wolf Bounty Fund 1-20 Mills	State Bond Sinking Fund 1-10 Mill	Bovine Tuberculosis Fund 1-20 Mill	Glandered Horse Fund 1-10 Mill
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Adams	7,851.80	\$ 261.71	\$ 2,617.27	\$ 130.88	\$ 261.71	\$ 130.88	\$ 261.71
Barnes	31,825.79	1,060.86	10,608.01	530.47	1,060.86	530.47	1,060.86
Benson	17,965.97	598.60	5,986.37	299.31	598.60	299.31	598.62
Billings	18,210.45	607.04	6,070.15	302.60	607.04	302.60	607.04
Bottineau	26,518.73	883.85	8,839.54	441.92	883.85	441.93	883.85
Bowman	8,114.07	270.49	2,704.69	43.80	270.48	43.80	270.48
Burke	11,574.37	385.81	3,858.14	192.89	385.81	192.84	385.81
Burleigh	20,739.17	691.34	6,913.48	345.71	691.27	345.71	691.32
Cass	61,400.85	2,046.67	20,466.94	1,023.24	2,046.67	1,023.24	2,046.67
Cavalier	23,128.26	771.01	7,709.36	385.54	771.01	385.54	771.01
Dickey	17,809.79	593.65	5,936.62	296.84	593.65	296.84	593.65
Divide	9,723.96	324.17	3,241.34	162.14	324.17	162.14	324.17
Dunn	7,159.93	238.66	2,386.64	119.33	238.66	119.33	238.66
Eddy	8,049.48	268.33	2,683.14	134.15	268.33	134.15	268.33
Emmons	13,608.99	453.57	4,535.66	226.80	453.57	226.80	453.57
Foster	10,855.37	361.84	3,618.47	181.02	361.84	181.02	361.84
Grand Forks	42,219.50	1,407.33	14,073.21	703.64	1,407.33	703.63	1,407.34
Griegs	13,885.64	462.85	4,628.52	231.47	462.85	231.47	462.85
Hettinger	8,291.80	276.27	2,763.92	138.06	276.28	138.06	276.24
Kidder	10,099.89	336.64	3,366.60	168.32	336.67	168.30	336.66
LaMoure	18,496.47	616.51	6,165.51	308.31	616.51	308.31	616.51
Logan	9,073.61	302.46	3,024.54	151.23	302.46	151.23	302.46
McHenry	24,798.05	826.60	8,266.05	413.28	826.60	413.28	826.60
McIntosh	9,971.14	332.36	3,323.68	166.18	332.35	166.18	332.36
McKenzie	5,984.03	199.47	1,994.68	99.73	199.47	99.73	199.47
McLean	17,501.58	583.40	5,833.86	291.69	583.40	291.69	583.40
Mercer	5,795.16	193.17	1,931.72	96.59	193.17	96.59	193.17
Morton	28,878.78	945.98	9,459.59	472.97	945.98	472.97	945.98
Mountrail	11,713.70	390.21	3,904.23	195.03	390.21	195.03	390.20
Nelson	16,745.40	558.22	5,581.82	279.10	558.22	279.10	558.22
Oliver	3,917.73	130.59	1,305.91	65.30	130.59	65.30	130.59
Pembina	20,151.88	671.88	6,719.27	335.96	671.88	335.96	671.88
Pierce	12,499.62	416.50	4,166.41	208.16	416.49	208.14	416.38

Ramsey	21,957.34	731.88	7,319.06	365.88	731.88	365.88	731.88
Ransom	14,260.05	475.41	4,753.27	237.66	475.41	237.66	475.41
Renville	10,639.01	354.63	3,546.31	177.34	354.63	177.34	354.63
Richland	33,118.71	1,103.87	11,039.63	551.94	1,103.87	551.94	1,103.87
Rolette	11,233.12	374.32	3,744.31	187.09	374.32	187.09	374.32
Sargent	14,961.81	498.73	4,987.27	249.39	498.73	249.39	498.73
Sheridan	9,332.11	311.07	3,110.74	155.43	311.07	155.43	311.07
Stark	16,556.06	551.88	5,518.88	275.93	551.88	275.93	551.88
Steele	13,257.92	441.96	4,419.33	220.96	441.96	220.96	441.96
Stutsman	33,392.72	1,116.41	11,164.22	558.26	1,116.41	558.26	1,116.41
Towner	15,638.84	521.25	5,212.98	260.65	521.25	260.65	521.25
Trall	5.37	1.18	1.79	.09	1.18	.09	1.18
Walsh	20,354.33	678.48	6,784.78	339.22	678.48	339.22	678.48
Ward	26,493.77	883.15	8,831.27	441.51	883.15	441.51	883.15
Wells	31,178.80	1,039.17	10,392.96	519.47	1,039.17	519.47	1,039.17
Williams	17,540.39	584.72	5,846.84	292.36	584.72	292.36	584.72
	18,859.99	628.58	6,286.41	314.30	628.58	314.30	628.58
Total	\$ 862,835.89	\$ 28,763.73	\$ 287,644.39	\$ 14,289.44	\$ 28,763.68	\$ 14,289.05	\$ 78,763.59

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911—Continued

SCHOOL TAXES

County	County Tuition		Special	Interest and Principal on State Loans
	2 Mill Tax	School Poll		
	Dollars	Dollars		
Adams	\$ 5,234.55	\$ 1,696.00	\$ 41,564.53	\$
Barnes	21,217.24	2,944.00	120,116.30	.....
Benson	11,970.71	2,188.00	95,023.53	.....
Billings	13,140.31	3,204.00	.....	.....
Bottineau	17,679.07	3,324.00	121,663.17	2,651.78
Bowman	5,409.36	2,184.00	42,602.02	.....
Burke	7,716.22	1,959.00	55,236.94	5,789.84
Burleigh	13,826.73	2,583.00	72,672.93	.....
Cass	40,933.63	6,513.00	208,413.66	9,209.91
Cavaller	15,418.69	2,647.00	93,965.06	.....
Dickey	11,873.25	1,930.00	69,551.31	.....
Divide	6,482.61	1,999.00	46,590.43	.....
Dunn	4,773.28	1,613.00	30,508.15	.....
Eddy	5,366.29	981.00	38,148.10	3,544.87
Emmons	9,071.31	2,033.00	50,092.63	.....
Foster	7,237.00	1,105.00	48,377.95	421.50
Grand Forks	28,146.35	4,812.00	178,945.86	.....
Griggs	9,256.92	1,265.00	42,788.58	.....
Hettinger	5,527.86	1,788.00	44,713.18	5,940.45
Kidder	6,733.32	1,594.00	37,724.82	.....
LaMoure	12,330.95	2,240.00	85,383.73	2,157.88
Logan	6,049.08	1,353.00	31,237.39	1,699.50
McHenry	16,532.02	2,916.00	135,778.75	10,378.92
McIntosh	6,647.37	1,457.00	19,332.99	.....
McKenzie	3,986.35	2,461.00	49,980.75	.....
McLean	11,667.71	3,103.00	87,857.24	.....
Mercer	3,863.44	1,287.00	23,786.41	1,618.50
Morton	18,919.19	5,227.00	117,312.65	3,642.00
Mountrail	7,805.96	2,334.00	57,642.69	5,472.38
Nelson	11,163.65	1,742.00	70,128.77	3,604.93
Oliver	2,611.82	888.00	12,203.18	.....
Pembina	13,438.59	2,639.00	90,528.57	.....

Pierce	8,333.00	1,652.00	58,946.27	.....
Ransey	14,638.14	2,366.00	123,395.77	.....
Ransom	9,506.59	.....	5,331.15	66,938.79
Renville	7,092.79	1,555.00	53,944.10	1,640.32
Richard	22,079.23	3,686.00	103,333.94	5,909.13
Rolette	7,488.69	1,334.00	60,313.77	1,916.93
Sargent	9,974.54	1,889.00	49,660.68	.....
Sheridan .....	.....	1,710.00	38,406.91	.....
Stark	11,037.67	2,523.00	72,076.09	1,236.36
Steele	8,898.61	1,334.00	44,344.02	.....
Stutsman	22,328.56	3,871.00	136,274.09	.....
Towner	10,426.21	1,778.00	80,351.64	.....
Trail	13,569.58	2,098.00	65,110.55	.....
Walsh	17,662.54	3,349.00	99,088.61	.....
Ward	20,785.35	4,628.00	128,791.42	16,496.54
Wells	11,693.55	2,140.00	85,443.86	5,262.21
Williams	12,573.24	3,866.00	119,696.29	4,842.44
Total	\$ 570,062.14 \$	116,080.00 \$	3,541,918.42 \$	180,374.19

REPORT OF TAX COMMISSION.

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911—Continued

COUNTY TAXES

County	Revenue		Interest		Road and Bridge		Special Taxes	
	Dollars	\$	Dollars	\$	Dollars	\$	Dollars	Dollars
Adams	11,516.00	\$	16,750.55	\$	19,502.43	.....	1,046.93	.....
Barnes	53,049.03		4,773.87		8,379.65	.....	9,017.41	.....
Benson	28,736.94		5,386.79		38,292.05	.....	5,386.78	.....
Billings	42,391.05		1,821.06		10,185.45	.....	10,892.55	.....
Bottineau	48,617.85		8,397.52		8,114.07	.....	11,982.16	.....
Bowman	30,562.87		4,143.05		11,574.36	.....	1,430.44	.....
Burke	30,864.91		1,928.99		17,459.54	.....	32,022.30	.....
Burlingh	50,052.59		25,025.97		20,086.94	.....	12,005.27	.....
Cass	89,032.30		8,069.92		30,086.55	.....	5,116.67	.....
Cavaller	53,195.11		1,542.01		3,858.88	.....	3,855.00	.....
Dickey	49,867.70		1,890.48		8,073.42	.....	13,060.68	.....
Divide	18,151.40		1,944.88		15,242.55	.....	648.26	.....
Dunn	18,136.32		.....		4,024.76	.....	5,966.61	.....
Eddy	21,196.96		1,609.91		27,934.08	.....	1,343.26	.....
Emmons	26,306.85		2,267.52		.....	.....	5,442.79	.....
Foster	32,566.50		6,875.16		10,032.45	.....	1,990.17	.....
Grand Forks	93,023.73		8,021.67		50,241.24	.....	3,518.29	.....
Griggs	16,199.66		3,239.78		10,645.54	.....	2,314.21	.....
Hettinger	22,111.91		3,040.14		12,351.98	.....	5,261.19	.....
Kidder	22,219.82		1,683.31		.....	.....	3,497.19	.....
LaMoure	30,211.32		2,466.18		5,857.29	.....	2,466.18	.....
Logan	24,196.30		1,209.32		11,397.77	.....	3,771.35	.....
McHenry	35,544.40		4,132.99		14,051.98	.....	14,878.54	.....
McIntosh	20,606.92		1,329.49		9,034.09	.....	3,776.37	.....
McKenzie	13,563.80		.....		8,142.53	.....	5,585.09	.....
McLean	35,003.20		2,333.58		24,188.49	.....	5,833.86	.....
Mercer	9,466.43		963.86		12,566.18	.....	11,788.51	.....
Morton	58,271.15		1,986.54		46,919.58	.....	16,743.53	.....
Mountrail	26,107.30		11,320.41		8,561.90	.....	7,806.40	.....
Nelson	42,421.62		2,232.76		2,232.76	.....	3,907.30	.....
Oliver	7,574.30		261.18		8,880.22	.....	8,480.62	.....
Pembina	35,074.73		13,438.57		13,438.58	.....	5,913.02	.....

Pierce	33,332.52	7,499.66	5,416.41	22,915.43
Ramsey	45,378.16	2,561.59	16,467.90	3,659.46
Ransom	39,928.17	1,901.19	9,031.00	7,129.96
Renville	28,020.64	15,248.94	23,049.38	7,092.50
Richard	66,739.59	22,579.25	12,143.54	2,759.93
Rolette	25,087.73	4,118.66	4,867.65	2,995.38
Sargent	20,200.21	2,244.13	4,239.18	10,223.91
Sheridan	24,885.66	3,114.89	3,110.58	933.19
Stark	44,702.98	4,415.12	29,907.76	551.88
Steele	23,864.29	.....	7,954.75	1,767.67
Stutsman	67,660.10	5,023.88	23,010.93	3,666.99
Towner	32,321.13	4,161.45	13,625.87	1,821.36
Trall	31,142.16	3,053.14	11,059.18	1,590.50
Walsh	56,078.51	9,891.02	24,904.18	8,919.63
Ward	73,262.25	8,833.82	19,634.48	78,457.57
Wells	26,895.25	2,338.71	14,982.24	2,923.42
Williams	44,006.62	6,915.25	21,137.25	26,789.16
Total	\$ 776,995.83	\$ 247,490.56	\$ 717,199.57	\$ 405,791.57

REPORT OF TAX COMMISSION

ABSTRACT OF TAX LISTS OF EVERY COUNTY, STATE OF NORTH DAKOTA—1911—Continued

County	CITY AND TOWN TAXES				
	City	Township	Delinquent Road	Special Taxes	
Adams	\$ 3,552.96	\$ 12,677.34	\$ 5,332.16	\$ 7,738.51	857.50
Barnes	31,222.84	23,016.68	10,030.21	218.58	3,102.89
Benson	5,006.26	25,249.23	7,367.47	.....	.....
Billings	5,660.06	22,486.95	4,026.96	.....	.....
Bottineau	28,007.34	18,783.38	14,175.52	19,505.24	.....
Bowman	6,050.08	6,500.17	1,748.51	.....	.....
Burke	2,365.72	14,829.65	7,296.84	2,977.69	.....
Burleigh	46,498.53	8,088.06	8,001.91	7,865.65	11,711.98
Cass	17,996.59	184,090.10	17,203.84	150,206.72	260.36
Cavalier	12,538.31	31,121.95	13,170.49	3,082.89	1,367.89
Dickey	27,235.96	8,893.83	5,827.47	3,175.70	.....
Divide	5,104.66	10,627.78	6,717.06	5,790.56	.....
Dunn	.....	.....	.....	.....	.....
Eddy	1,878.22	5,214.01	2,153.34	5,116.33	31.77
Emmons	2,052.88	684.26	.....	.....	.....
Foster	13,161.55	4,373.70	6,431.89	2,085.60	2,374.52
Grand Forks	107,841.49	31,237.63	7,886.56	133,595.63	1,112.92
Griggs	10,144.10	11,523.99	4,523.85	436.50	.....
Hettinger	3,552.60	3,039.18	2,726.77	1,489.53	.....
Kidder	1,019.66	5,236.65	.....	121.50	9,462.36
LaMoure	26,741.52	11,304.20	9,760.84	5,296.30	373.50
Logan	477.37	.....	.....	.....	2,116.32
McHenry	17,846.34	15,736.69	8,665.95	12,234.83	6,989.12
McIntosh	2,821.16	.....	.....	.....	.....
McKenzie	.....	1,637.18	115.50	.....	.....
McLean	11,499.62	8,996.84	5,660.72	1,357.71	219.11
Mercer	.....	.....	.....	.....	3,733.50
Morton	37,105.69	10,808.35	2,727.11	4,124.87	.....
Mountrail	4,907.95	14,461.24	8,719.36	1,842.22	4,680.77
Nelson	9,563.62	10,633.45	6,030.45	7,924.68	.....
Oliver	.....	.....	.....	.....	.....
Pembina	24,394.53	19,713.94	7,911.44	30,815.50	453.83
Pierce	10,107.41	7,232.78	2,834.83	4,311.40	3,134.16

Ramsey	25,795.32	14,042.61	9,359.22	22,426.94	1,054.34
Ransom	17,152.07	10,559.48	16,310.53	1,383.91	17,904.92
Renville	4,383.54	5,061.25	5,819.33	538.14	2,188.69
Richland	29,619.47	37,723.83	9,169.76	315.24	1,074.00
Rollette	8,948.36	3,164.33	11,678.98	2,556.43	5,274.21
Sargent	4,075.17	6,423.70	15,171.46	1,549.88	5,512.52
Sheridan	5,114.55	2,594.52	3,690.24	2,152.50	44.38
Stark	30,683.80	1,917.89	621.45	378.97	2,661.69
Steele	9,675.74	13,927.49	2,442.23	3,930.88	170.41
Stutsman	28,194.16	12,897.16	13,130.14	10,216.85	2,095.50
Towner	13,986.13	18,624.59	3,887.18	595.63	
Trall	22,761.77	14,727.05	5,512.54	9,042.79	3,898.37
Walsh	27,305.25	22,504.98	4,677.78	3,087.31	76,581.53
Ward	51,074.67	25,325.35	15,079.11	48,125.94	1,754.09
Wells	12,777.14	7,239.98	2,506.52	5,472.38	4,092.80
Williams	32,265.73	24,837.11	10,266.44	9,475.09	309.75
Total	\$ 799,654.37	\$ 749,773.18	\$ 306,360.96	\$ 532,564.01	\$ 177,209.40

